



COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR
KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012



MARK J. SALADINO
TREASURER AND TAX COLLECTOR

February 02, 2010

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

46 February 2, 2010

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

ISSUANCE AND SALE OF LOS ANGELES UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS, ELECTION OF 2002 (MEASURE K), ELECTION OF 2004 (MEASURE R), AND ELECTION OF 2005 (MEASURE Y) (ALL DISTRICTS) (3 VOTES)

SUBJECT

The governing board of the Los Angeles Unified School District (the "District") has requested that the County issue general obligation bonds on its behalf in an aggregate principal amount not to exceed \$2,184,795,000. The bonds were authorized by a vote of the qualified electors of the District and will be issued to finance capital improvements to various school facilities. Repayment of the bonds will be funded from the proceeds of ad valorem taxes levied on all taxable property within the District.

IT IS RECOMMENDED THAT YOUR BOARD:

Adopt the resolution authorizing the issuance and sale of the Los Angeles Unified School District (Los Angeles County, California) General Obligation Bonds, Election of 2002 (Measure K), Election of 2004 (Measure R), and Election of 2005 (Measure Y) in an aggregate principal amount not to exceed \$2,184,795,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On November 5, 2002, March 2, 2004, and November 8, 2005, voters residing in the District approved a ballot measure authorizing the District to issue up to \$3.35 billion (Measure K), \$3.87 billion (Measure R), and \$3.985 billion (Measure Y), respectively, in general obligation bonds to fund various capital improvements. The governing board of the District adopted a resolution on January

12, 2010 and determined that the District needs to borrow funds in an aggregate principal amount not to exceed \$150,000,000 (Measure K), \$870,000,000 (Measure R), and \$1,840,000,000 (Measure Y) from the 2002, 2004, and 2005 elections, respectively. The issuance of Bonds pursuant to Measures K, R, and Y or any combination thereof shall not exceed \$2,184,795,000. Due to legal restrictions on the amount of outstanding general obligation debt for the District, this amount is lower than the \$2,860,000,000 remaining aggregate authorization of Measures K, R, & Y.

Pursuant to Section 15100 et seq. of the California Education Code, the Board of Supervisors is responsible for offering the District's bonds for sale. The bonds are to be issued in the name and on behalf of the District by the County following receipt of the District's resolution requesting such borrowing.

Implementation of Strategic Plan Goals

This action supports the County's Strategic Plan Goal #1: Operational Effectiveness through collaborative actions among County departments and other governmental jurisdictions to provide investment in public school infrastructure within the County.

FISCAL IMPACT/FINANCING

There will be no fiscal impact to the County budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The resolution provides for the issuance of bonds at an interest rate not to exceed the maximum rate permitted by law. The final structure of the bonds will be determined at the time of pricing to achieve the lowest cost of financing within the tax levy limits of the proposition.

The bonds will be sold through a negotiated and/or competitive offering with participation by the Treasurer and Tax Collector in the pricing of the bonds. The District has selected Citigroup and Goldman Sachs as the senior managing underwriters, and the firm of Sidley Austin LLP as bond counsel. The Treasurer and Tax Collector will appoint U.S. Bank National Association as paying agent.

The County will annually levy and collect ad valorem taxes for the repayment of the bonds on behalf of the District.

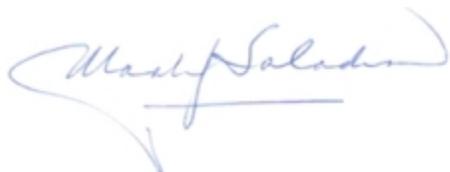
IMPACT ON CURRENT SERVICES (OR PROJECTS)

Not applicable.

CONCLUSION

Upon approval, it is requested that the Executive Officer-Clerk of the Board of Supervisors return two originally executed copies of the adopted resolution to the Treasurer and Tax Collector (Office of Public Finance).

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Mark J. Saladino", with a horizontal line underneath the name.

MARK J. SALADINO
Treasurer and Tax Collector

MJS:GB:DB:JP:JW

Enclosures

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors
Auditor-Controller
Los Angeles Unified School District
Los Angeles County Office of Education
Sidley Austin LLP

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AUTHORIZING THE SALE AND ISSUANCE OF ONE OR MORE SERIES OR SUBSERIES OF LOS ANGELES UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS IN THE FORM OF TAX-EXEMPT BONDS, BUILD AMERICA BONDS, QUALIFIED SCHOOL CONSTRUCTION BONDS AND CLEAN RENEWABLE ENERGY BONDS OR ANY COMBINATION THEREOF UNDER THE HEREIN REFERENCED MEASURE K AUTHORIZATION, MEASURE R AUTHORIZATION AND MEASURE Y AUTHORIZATION OR ANY COMBINATION THEREOF IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$150,000,000 WITH RESPECT TO BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE K AUTHORIZATION, \$870,000,000 WITH RESPECT TO BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE R AUTHORIZATION AND \$1,840,000,000 WITH RESPECT TO BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE Y AUTHORIZATION BY COMPETITIVE SALE PURSUANT TO THE NOTICE INVITING PROPOSALS OR NEGOTIATED SALE PURSUANT TO THE BOND PURCHASE AGREEMENTS THEREFOR; APPROVING THE FORMS OF BOND PURCHASE AGREEMENT, NOTICE OF INTENTION TO SELL AND THE NOTICE INVITING PROPOSALS AND AUTHORIZING THE EXECUTION AND DELIVERY OF SAID BOND PURCHASE AGREEMENTS, THE NOTICE INVITING PROPOSALS AND ONE OR MORE TAX CREDITS SEPARATION CERTIFICATES; AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES RELATING TO SAID BONDS

WHEREAS, an election was duly called and regularly held in the Los Angeles Unified School District, County of Los Angeles, California (the “District”) on November 5, 2002, pursuant to Section 1(b)(3) of Article XIII A of the State of California (the “State”) Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the State Education Code (the “Education Code”) (the “Act”), and thereafter canvassed pursuant to law (“Measure K”); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$3.35 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the “Measure K Authorization”) and the District has previously issued \$3.20 billion of such general obligation bonds under the Measure K Authorization; and

WHEREAS, an election was duly called and regularly held in the District on March 2, 2004, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and the Act, and thereafter canvassed pursuant to law (“Measure R”); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$3.87 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the

“Measure R Authorization”) and the District has previously issued \$3.00 billion of such general obligation bonds under the Measure R Authorization; and

WHEREAS, an election was duly called and regularly held in the District on November 8, 2005, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and the Act, and thereafter canvassed pursuant to law (“Measure Y”, and together with Measure K and Measure R, the Measures”); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$3.985 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the “Measure Y Authorization” and, together with the Measure K Authorization and the Measure R Authorization, the “Authorizations”) and the District has previously issued \$2.144 billion of such general obligation bonds under the Measure Y Authorization; and

WHEREAS, the Board of Education of the District (the “Board of Education”) has adopted a resolution authorizing, the issuance and sale under the State Government Code (the “Government Code Resolution”) of (i) not to exceed \$150,000,000 aggregate principal amount of bonds under the Measure K Authorization (the “Measure K Government Code Bonds”), (ii) not to exceed \$870,000,000 aggregate principal amount of bonds under the Measure R Authorization (the “Measure R Government Code Bonds”), and (iii) not to exceed \$1.84 billion aggregate principal amount of bonds under the Measure Y Authorization (the “Measure Y Government Code Bonds”, and together with the Measure K Government Code Bonds and the Measure R Government Code Bonds, the “Government Code Bonds”); and

WHEREAS, the Board of Education has requested the Board of Supervisors (the “Board of Supervisors”) of the County of Los Angeles, California (the “County”) to authorize and consummate the sale of bonds pursuant to the Measure K Authorization and provide for the issuance of such bonds in one or more series or subseries or as a portion of one or more series of bonds in combination with bonds authorized pursuant to the Measure R Authorization and the Measure Y Authorization pursuant to Section 15231 of the Education Code and as provided below (as a separate series or subseries or in combination with bonds authorized under the Measure R Authorization and Measure Y Authorization, the “Measure K Bonds”), in an aggregate principal amount attributable to the Measure K Authorization not to exceed \$150,000,000, according to the terms and in the manner hereinafter set forth, provided that the aggregate principal amount of Measure K Bonds to be issued pursuant to this County Resolution, together with the aggregate principal amount of Measure K Government Code Bonds to be issued pursuant to the Government Code Resolution, shall not exceed \$150,000,000; and

WHEREAS, the Board of Education has requested the Board of Supervisors to authorize and consummate the sale of bonds pursuant to the Measure R Authorization and provide for the issuance of such bonds in one or more series or subseries or as a portion of one or more series of bonds in combination with bonds authorized pursuant to the Measure K Authorization and the Measure Y Authorization pursuant to Section 15231 of the Education Code and as provided below (as a separate series or subseries or in combination with bonds authorized under the Measure K Authorization and Measure Y Authorization, the “Measure R Bonds”), in an

aggregate principal amount attributable to the Measure R Authorization not to exceed \$870,000,000, according to the terms and in the manner hereinafter set forth, provided that the aggregate principal amount of Measure R Bonds to be issued pursuant to this County Resolution, together with the aggregate principal amount of Measure R Government Code Bonds to be issued pursuant to the Government Code Resolution, shall not exceed \$870,000,000; and

WHEREAS, the Board of Education has requested the Board of Supervisors to authorize and consummate the sale of bonds pursuant to the Measure Y Authorization and provide for the issuance of such bonds in one or more series or subseries or as a portion of one or more series of bonds in combination with bonds authorized pursuant to the Measure K Authorization and the Measure R Authorization pursuant to Section 15231 of the Education Code and as provided below (as a separate series or subseries or in combination with bonds authorized under the Measure K Authorization and Measure R Authorization, the “Measure Y Bonds”), in an aggregate principal amount attributable to the Measure Y Authorization not to exceed \$1,840,000,000, according to the terms and in the manner hereinafter set forth, provided that the aggregate principal amount of Measure Y Bonds to be issued pursuant to this County Resolution, together with the aggregate principal amount of Measure Y Government Code Bonds to be issued pursuant to the Government Code Resolution, shall not exceed \$1,840,000,000; and

WHEREAS, the Board of Education has requested the Board of Supervisors to provide that the bonds issued pursuant to and attributable to the Measure K Authorization as one or more stand-alone series be designated the “Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series E (2010)”, with such other series, subseries or additional designations as may be approved in accordance with the provisions of this County Resolution; and

WHEREAS, the Board of Education has requested the Board of Supervisors to provide that the bonds issued pursuant to and attributable to the Measure R Authorization as one or more stand-alone series be designated the “Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series J (2010)”, with such other series, subseries or additional designations as may be approved in accordance with the provisions of this County Resolution; and

WHEREAS, the Board of Education has requested the Board of Supervisors to provide that the bonds issued pursuant to and attributable to the Measure Y Authorization as one or more stand-alone series be designated the “Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series I (2010)”, with such other series, subseries or additional designations as may be approved in accordance with the provisions of this County Resolution; and

WHEREAS, the Board of Education has requested the Board of Supervisors to provide that bonds issued pursuant to and attributable to the Measure K Authorization, the Measure R Authorization and the Measure Y Authorization or any combination thereof that may be grouped in one or more series to be designated the “Los Angeles Unified School District General Obligation Bonds, Series KRY (2010)” (the “Series KRY Bonds”) with such additional designations as Tax-Exempt Bonds, Build America Bonds, Qualified School Construction Bonds, and Clean Renewable Energy Bonds, as the case may be, and such other series, subseries or additional designations as may be approved in accordance with the provisions of this County

Resolution, in an aggregate principal amount not to exceed \$2,184,795,000, according to the terms and in the manner hereinafter set forth (the “Bonds”); and

WHEREAS, the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”) grants a national allocation to provide for the issuance of qualified school construction bonds (the “Qualified School Construction Bonds”), in accordance with the qualified tax credit bond program (the “QSCB Tax Credit Program”) provided for in Section 54A and Section 54F of the Code (as defined herein), and an allocation is expected to be granted to the District for calendar year 2010 (the “QSCB District Allocation”) to provide financing for specific projects in accordance with the Recovery Act; and

WHEREAS, the Heartland, Habitat, Harvest and Horticulture Act of 2008 (the “CREBs Act”) grants a national allocation of \$800 million, which allocation has been increased to \$2.4 billion pursuant to the Recovery Act to provide for the issuance of clean renewable energy bonds (the “Clean Renewable Energy Bonds”), in accordance with the qualified tax credit bond program (the “CREB Tax Credit Program”, and together with the “QSCB Tax Credit Program, the “Tax Credit Programs”) provided for in Section 54A and Section 54C of the Code, and allocations have been granted to the District (the “CREB District Allocations”, and together with the QSCB District Allocation, the “District Allocations”) to provide financing for specific projects in accordance with the CREBs Act; and

WHEREAS, the District deems it necessary and desirable to use all or a portion of the District Allocations to issue and sell a portion of the Bonds pursuant to the Tax Credit Programs, if it is so determined by an Authorized District Officer to be in the best interest of the District, such determination to be evidenced by the issuance of such portion of the Bonds; and

WHEREAS, the District deems it necessary and desirable to issue a portion of the Bonds as “Build America Bonds” in accordance with the Recovery Act if it is so determined by an Authorized District Officer to be in the best interest of the District, such determination to be evidenced by the issuance of such portion of the Bonds; and

WHEREAS, this Board of Supervisors accepts the representation of the District that it is necessary and desirable that the Bonds be issued and sold for the purposes for which the Bonds have been authorized by (i) competitive sale pursuant to the Notice Inviting Proposals for Purchase of Bonds (the “Notice Inviting Proposals”), or (ii) negotiated sale pursuant to one or more Bond Purchase Agreements (each, a “Bond Purchase Agreement”), forms of which have been submitted to this Board of Supervisors, all according to the terms and in the manner set forth in a resolution duly adopted by the Board of Education of the District on January 12, 2010 a certified copy of which has been filed with the Executive Officer-Clerk of this Board of Supervisors (the “District Resolution”), (a) to provide flexibility in the timing of the sale of the Bonds, (b) to effect a lower overall cost of borrowing, (c) to provide flexibility in the debt structure, and (d) to increase the opportunity to pre-market the Bonds; and

WHEREAS, all acts, conditions and things required by law to have been done or performed to date in connection the issuance of the Bonds have been done and performed in strict conformity with the laws authorizing the issuance thereof, and the indebtedness of the District proposed in the District Resolution is within all limits prescribed by law;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES AS FOLLOWS:

SECTION 1. Recitals. All of the above recitals are true and correct.

SECTION 2. Definitions. For the purposes of this County Resolution, unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this County Resolution have the meanings specified herein. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa.

“Accreted Value” shall mean with respect to: (i) any Capital Appreciation Bond, as of any date of calculation, the sum of the principal amount thereof and the interest accreted thereto as of such date of calculation, accreted and compounded from the date of initial issuance at the stated accretion rate thereof on each Interest Payment Date, or as otherwise stated in the Bond Purchase Agreement or Notice Inviting Proposals, as applicable, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months; and (ii) any Convertible Capital Appreciation Bond, as of any date of calculation prior to the Conversion Date, the sum of the Principal Amount thereof and the interest accreted thereto as of such date of calculation, accreted and compounded from the date of initial issuance at the stated accretion rate thereof on each Interest Payment Date, or as otherwise stated in the Bond Purchase Agreement or Notice Inviting Proposals, as applicable, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

“Accountable Event of Loss of Clean Renewable Energy Bond Status” shall mean (i) any act or any failure to act on the part of the District constituting a breach of a covenant or agreement of the District contained in the Resolutions or the related Tax Credits Separation Certificate which causes the Clean Renewable Energy Bonds to lose their status, or fail to qualify, as Clean Renewable Energy Bonds, (ii) the making by the District of any representation contained in the Resolutions or the related Tax Credits Separation Certificate which was untrue when made and the untruth of which representation at such time causes the Clean Renewable Energy Bonds to lose their status, or fail to qualify, as Clean Renewable Energy Bonds, or (iii) any other event as may be provided in a Bond Purchase Agreement with respect to the Clean Renewable Energy Bonds.

“Accountable Event of Loss of Qualified School Construction Bond Status” shall mean (i) any act or any failure to act on the part of the District constituting a breach of a covenant or agreement of the District contained in the Resolutions or the related Tax Credits Separation Certificate which causes the Qualified School Construction Bonds issued as tax credit bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds, (ii) the making by the District of any representation contained in the Resolutions or the Tax Credits Separation Certificate which was untrue when made and the untruth of which representation at such time causes the Qualified School Construction Bonds issued as tax credit bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds, or (iii) any other event as may be provided in a Bond Purchase Agreement with respect to the Qualified School Construction Bonds.

“Authorized Denominations” shall mean denominations of \$5,000 principal amount, Maturity Value or Conversion Value, as applicable, or any integral multiple thereof; provided, however, that Authorized Denominations shall mean (i) with respect to Qualified School Construction Bonds issued as tax credit bonds and Principal Strip Certificates thereof, if any, \$40,000 or any integral multiple thereof; (ii) with respect to Clean Renewable Energy Bonds, and Principal Strip Certificates thereof, if any, \$40,000 or any integral multiple thereof or such other amount as may be determined by an Authorized District Officer; (iii) with respect to Interest Bearing Bonds prior to any separation of Cash Interest Certificates from the Principal Component thereof, \$5,000 or any integral multiple thereof; (iv) with respect to Interest Bearing Bonds and the Principal Strip Certificates thereof subsequent to any separation of the Cash Interest Certificates from the Principal Component thereof, \$40,000 or any integral multiple thereof; (v) with respect to Tax Credit Certificates and Cash Interest Certificates for any single Tax Credit Allowance Date, the amount set forth in the Tax Credits Separation Certificate and the applicable Bond Purchase Agreement, which is an amount equal to \$40,000, or such other amount, as may be determined by an Authorized District Officer, multiplied by the Tax Credit Rate and divided by four, or any integral multiple thereof, and provided further that the Authorized Denomination for Tax Credit Certificates or Cash Interest Certificates with respect to the first Tax Credit Allowance Date shall be as provided in the related Tax Credits Separation Certificate as provided in or supplemented by the applicable Bond Purchase Agreement.

“Authorized County Officer” shall mean the County Treasurer, any designee of the County Treasurer, or any other officer of the County designated by the Board of Supervisors.

“Authorized District Officer” shall mean any of the Chief Financial Officer, the Controller, or any other officer of the District authorized by the Chief Financial Officer or the Controller.

“Bonds” shall mean, collectively, the Series KRY Bonds, the Measure K Bonds, the Measure R Bonds, the Measure Y Bonds and the Interest Bearing Bonds, if any.

“Book-Entry Bonds” means the Bonds of any series registered in the name of the nominee of DTC, or any successor securities depository for the Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 6(a) and Section 11 hereof.

“Build America Bonds” shall mean those Bonds designated as such pursuant to Section 7 of this County Resolution in accordance with Section 54AA of the Code.

“Capital Appreciation Bonds” shall mean bonds that accrete interest on a compounded basis, payable, together with the initial principal amount thereof, solely at maturity.

“Cash Interest Certificates” shall mean the certificates executed and delivered in accordance with the Resolutions and the related Tax Credits Separation Certificate, from and after a Tax Credit Conversion Date, which certificates evidence the entitlement of the Owner thereof to cash interest payment or payments with respect to any Interest Bearing Bonds, the cash interest payments related to which have been separated therefrom pursuant to the Resolutions and the related Tax Credits Separation Certificate.

“Chair of this Board of Supervisors” shall mean the Chair, Chairman or Mayor of the Board of Supervisors of the County of Los Angeles, California.

“Chief Financial Officer” shall mean the Chief Financial Officer of the District.

“Clean Renewable Energy Bonds” shall mean those Bonds designated as clean renewable energy bonds pursuant to Section 7 within the meaning of and as defined in Section 54C of the Code.

“Clerk” shall mean the Executive Officer – Clerk of the Board of Supervisors of the County or by a deputy of such officer.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Controller” shall mean the Controller of the District.

“County Resolution” shall mean this resolution of the Board of Supervisors approving the financing described herein.

“Convertible Capital Appreciation Bonds” shall mean bonds that accrete interest semiannually to the Conversion Date thereof and from and after the Conversion Date thereof bear interest payable semiannually on a current basis.

“Conversion Date” shall mean the date upon which a Convertible Capital Appreciation Bond commences bearing interest payable semiannually on a current basis, which date shall be set forth in the Bond Purchase Agreement or the Notice Inviting Proposals.

“Conversion Value” shall mean, for each Convertible Capital Appreciation Bond, the accumulation of earned interest from their initial principal amount on the date of delivery thereof to the Conversion Date.

“County Treasurer” shall mean the Treasurer and Tax Collector of the County.

“Current Interest Bonds” shall mean those Bonds bearing interest payable semiannually on a current basis, as set forth in Section 7.

“Date of Determination of Loss of Clean Renewable Energy Bond Status” means the date on which the Internal Revenue Service or a court of competent jurisdiction has issued to the District a Determination of Loss of Clean Renewable Energy Bond Status.

“Date of Determination of Loss of Qualified School Construction Bond Status” means the date on which the Internal Revenue Service or a court of competent jurisdiction has issued to the District a Determination of Loss of Qualified School Construction Bond Status.

“Date of Loss of Clean Renewable Energy Bond Status” shall mean the date specified in a Determination of Loss of Clean Renewable Energy Bond Status as the date from and after which the Clean Renewable Energy Bonds lost their status, or failed to qualify, as Clean Renewable Energy Bonds as a result of an Accountable Event of Loss of Clean Renewable Energy Bond Status.

“Date of Loss of Qualified School Construction Bond Status” shall mean the date specified in a Determination of Loss of Qualified School Construction Bond Status as the date from and after which the Qualified School Construction Bonds, if issued as tax credit bonds, lost their status, or failed to qualify, as Qualified School Construction Bonds as a result of an Accountable Event of Loss of Qualified School Construction Bond Status.

“Defeasance Securities”, for purposes of Section 9, shall mean:

(i) Direct and general obligations of the United States of America (including state and local government series), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed “AAA” by Standard & Poor’s or “Aaa” by Moody’s Investors Service; and

(ii) Non-callable obligations of government sponsored agencies of the United States that are rated “AAA,” by Standard & Poor’s or “Aaa” by Moody’s Investors Service but are not backed by the full faith and credit of the government of the United States.

“Determination of Loss of Clean Renewable Energy Bond Status” shall mean (i) a final determination by the Internal Revenue Service (after the District has exhausted all administrative appeal remedies) determining that an Accountable Event of Loss of Clean Renewable Energy Bond Status has occurred and specifying the Date of Loss of Clean Renewable Energy Bond Status and the amount of Clean Renewable Energy Bonds that are subject to the Accountable Event of Loss of Clean Renewable Energy Bond Status, (ii) non-appealable holding by a court of competent jurisdiction holding that an Accountable Event of Loss of Clean Renewable Energy Bond Status has occurred and specifying the Date of Loss of Clean Renewable Energy Bond Status and the amount of Clean Renewable Energy Bonds that are subject to the Accountable Event of Loss of Clean Renewable Energy Bond Status or (iii) any other event as may be provided in a Bond Purchase Agreement with respect to the Clean Renewable Energy Bonds.

“Determination of Loss of Qualified School Construction Bond Status” shall mean (i) a final determination by the Internal Revenue Service (after the District has exhausted all administrative appeal remedies) determining that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status and the amount of Qualified School Construction Bonds that are subject to the Accountable Event of Loss of Qualified School Construction Bond Status, (ii) non-appealable holding by a court of competent jurisdiction holding that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the

Date of Loss of Qualified School Construction Bond Status and the amount of Qualified School Construction Bonds that are subject to the Accountable Event of Loss of Qualified School Construction Bond Status or (iii) any other event as may be provided in a Bond Purchase Agreement with respect to the Qualified School Construction Bonds.

“District Resolution” shall mean the resolution of the Board of Education of the District approving the financing described herein.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Interest and Sinking Fund” shall mean each fund designated as the “Los Angeles Unified School District General Obligation Bond Series 2010 Interest and Sinking Fund” with such additional designations as Tax-Exempt Bonds, Build America Bonds, Qualified School Construction Bonds, and Clean Renewable Energy Bonds (Tax Credit Bonds), as the case may be, and such other additional designations to refer to each applicable Measure for the applicable Bonds and used only for payment of principal of and/or interest on the Bonds of such series or subseries for such Measure.

“Interest Bearing Bonds” shall mean the Qualified School Construction Bonds issued as tax credit bonds and/or the Clean Renewable Energy Bonds from and after the Tax Credit Conversion Date with respect to such issue of Qualified School Construction Bonds issued as tax credit bonds, or Clean Renewable Energy Bonds, as the case may be, if any.

“Interest Payment Date” shall mean each January 1 and July 1 of each year until the final maturity of the Bonds or such other dates as shall be set forth in the related Bond Purchase Agreement, the Notice Inviting Proposals or the applicable Tax Credits Separation Certificate; provided, however, that with respect to the Qualified School Construction Bonds, Clean Renewable Energy Bonds, Interest Bearing Bonds, Principal Strip Certificates, or Cash Interest Certificates, if any, “Interest Payment Date” shall mean March 15, June 15, September 15 and December 15 in each year or such other dates as shall be set forth in the related Bond Purchase Agreement or the Tax Credits Separation Certificate.

“Investment Agreements” shall mean, collectively, investment agreements, guaranteed investment contracts, float contracts or other investment products subject to the requirements set forth in Section 15 hereof.

“Letter of Representations” shall mean the representation letter from the District to DTC dated the date of initial issuance and delivery of the Bonds or the blanket letters of representations from the District to DTC dated June 16, 1998, as such blanket letter of representations may be amended, supplemented or otherwise modified and in effect from time to time.

“Maturity Value” shall mean the Accreted Value of any Capital Appreciation Bond on its maturity date.

“Owner” means (i) with respect to any Bond, the Person in whose name such Bond is registered on the Registration Books and (ii) with respect to any Principal Strip Certificate, Tax

Credit Certificate, or Cash Interest Certificate, the Person in whose name such Principal Strip Certificate, Tax Credit Certificate, or Cash Interest Certificate shall be registered on the Registration Books.

“Paying Agent” shall mean the County Treasurer or any bank, trust company, national banking association or other financial institution appointed as authenticating agent, bond registrar, transfer agent and paying agent for the Bonds in the manner provided in this County Resolution.

“Person” means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Principal Components” shall mean the principal payment with respect to any Qualified School Construction Bond, Clean Renewable Energy Bond or Interest Bearing Bond, as applicable, the Tax Credits and/or cash interest payments related to which have been separated therefrom pursuant to the Resolutions and the related Tax Credits Separation Certificate.

“Principal Strip Certificates” shall mean the certificates evidencing principal component entitlement related to any Qualified School Construction Bond issued as a tax credit bond, Clean Renewable Energy Bond or Interest Bearing Bond, as applicable, executed and delivered in accordance with the Resolutions and the related Tax Credits Separation Certificate, which certificates evidence the entitlement of the Owner thereof to the Principal Components with respect to any Qualified School Construction Bond issued as a tax credit bond, Clean Renewable Energy Bond or Interest Bearing Bond, as applicable, the Tax Credits or cash interest payments related to which have been separated therefrom pursuant to the Resolutions and the related Tax Credits Separation Certificate.

“Qualified School Construction Bonds” shall mean those Bonds designated as qualified school construction bonds pursuant to Section 7 within the meaning of and as defined in Section 54F of the Code. The Qualified School Construction Bonds may be issued as tax credit bonds, or, to the extent permitted by law, direct subsidy bonds.

“Registration Books” means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Bonds, Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates pursuant to Section 10 of this County Resolution and the related Tax Credits Separation Certificate.

“Record Date” shall mean the close of business on the 15th day of the month preceding an Interest Payment Date or the close of business on the 1st day of the month preceding an Interest Payment Date with respect to the Qualified School Construction Bonds, Clean Renewable Energy Bonds, Interest Bearing Bonds, Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, if any, or such other date or dates as shall be set forth in the related Bond Purchase Agreement or the Notice Inviting Proposals.

“Resolutions” shall mean the District Resolution and the County Resolution.

“Rule 15c2-12” shall mean Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

“Supplemental Coupon” means the interest, if any, which the Qualified School Construction Bonds issued as tax credit bonds or Clean Renewable Energy Bonds bear at the time of issuance thereof notwithstanding any subsequent conversion thereof to an Interest Bearing Bond.

“Tax Certificate” shall mean a certificate executed and delivered by the District with respect to (i) Tax-Exempt Bonds containing such covenants, elections and representations so as to enable the District’s bond counsel to render an opinion that the interest on such Tax Exempt Bonds is not included in the gross income of the owners thereof for federal income tax purposes, (ii) Series KRY Bonds issued as Build America Bonds (Direct Subsidy) containing such covenants, elections and representations so as to enable the District’s bond counsel to render an opinion that such Series KRY Bonds are qualified Build America Bonds within the meaning of Section 54AA of the Code and that the District shall be allowed a credit under Section 6431 of the Code, (iii) Series KRY Bonds issued as Qualified School Construction Bonds (Tax Credit Bonds) containing such covenants, elections and representations so as to enable the District’s bond counsel to render an opinion that such Series KRY Bonds are qualified school construction bonds within the meaning of Section 54F(a) of the Code, (iv) Series KRY Bonds issued as Qualified School Construction Bonds (Direct Subsidy Bonds) containing such covenants, elections and representations so as to enable the District’s bond counsel to render an opinion with respect to the status of such qualified school construction bonds under the Code and any credit that may be allowed with respect thereto, or (v) Series KRY Bonds issued as Clean Renewable Energy Bonds containing such covenants, elections and representations so as to enable the District’s bond counsel to render an opinion that such Series KRY Bonds are new clean renewable energy bonds within the meaning of Section 54C(a) of the Code.

“Tax Credit Allowance Date” shall mean, with respect to Qualified School Construction Bonds issued as tax credit bonds and Clean Renewable Energy Bonds, each March 15, June 15, September 15 and December 15 of each year and the maturity date of such Qualified School Construction Bonds or Clean Renewable Energy Bonds, beginning as provided in the related Tax Credits Separation Certificate and ending on the maturity date of the related Qualified School Construction Bond or Clean Renewable Energy Bond.

“Tax Credit Certificates” shall mean the certificates executed and delivered in accordance with the Resolutions and the related Tax Credits Separation Certificate, which certificates evidence the entitlement of the Owner thereof to the Tax Credits with respect to the related Qualified School Construction Bond issued as a tax credit bond or Clean Renewable Energy Bond, the Principal Components related to which have been separated therefrom pursuant to the Resolutions and the related Tax Credits Separation Certificate.

“Tax Credit Conversion Date” shall mean, with respect to the Qualified School Construction Bonds issued as tax credit bonds and the Clean Renewable Energy Bonds (i) December 15 following the next succeeding August 1 after the Date of Determination of Loss of Qualified School Construction Bond Status or Clean Renewable Energy Bond Status, (ii) after the receipt by the Paying Agent of written notice from the District of its election to convert the Qualified School Construction Bonds issued as tax credit bonds or Clean Renewable Energy

Bonds to Interest Bearing Bonds as provided in the related Tax Credits Separation Certificate in connection with the defeasance of the Qualified School Construction Bonds or the Clean Renewable Energy Bonds, the March 15, June 15, September 15 or December 15 immediately preceding the date the Qualified School Construction Bonds or Clean Renewable Energy Bonds, as applicable, are defeased, or (iii) such other date as may be provided in a Bond Purchase Agreement with respect to the Qualified School Construction Bonds issued as tax credit bonds or Clean Renewable Energy Bonds.

“Tax Credit Rate” means the tax credit rate for the Qualified School Construction Bonds and the tax credit rate for the Clean Renewable Energy Bonds established by the United States Department of Treasury set forth in the applicable Bond Purchase Agreement and the related Tax Credits Separation Certificate.

“Tax Credits Separation Certificate” shall mean the certificate executed and delivered by the District and the County in connection with the issuance of the Qualified School Construction Bonds issued as tax credit bonds or the certificate executed and delivered by the District and the County in connection with the issuance of the Clean Renewable Energy Bonds providing the terms and conditions pursuant to which: (i) the ownership of the Principal Component of a Qualified School Construction Bond or Clean Renewable Energy Bond is separated from the ownership of the related Tax Credit Certificate; (ii) the ownership of the Principal Component of an Interest Bearing Bond may be separated from the entitlement of the Owner thereof to the related cash interest payment; (iii) the ownership of Principal Strip Certificates and Tax Credit Certificates may be recombined into Qualified School Construction Bonds or Clean Renewable Energy Bonds; and (iv) the ownership of Principal Strip Certificates and Cash Interest Certificates may be recombined into Interest Bearing Bonds.

“Tax Credits” shall mean the entitlement, pursuant to Section 54A(a) of the Code, of a taxpayer to recognize a credit against the tax imposed by Chapter 1 of the Code, as modified, in the case of Clean Renewable Energy Bonds, by Section 54C(b) of the Code.

“Taxable Bonds” shall mean the series or subseries of the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds or any combination thereof bearing interest that is not excluded from gross income for federal income tax purposes under Section 103 of the Code.

“Tax-Exempt Bonds” shall mean the series or subseries of the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds or any combination thereof bearing interest that is excluded from gross income for federal income tax purposes under Section 103 of the Code.

“Underwriters” shall mean, the underwriters set forth in each Bond Purchase Agreement herein authorized, together with the co-managers to be named in the applicable Bond Purchase Agreement.

SECTION 3. District Resolution Incorporated. The District Resolution is incorporated herein by reference.

SECTION 4. Purpose of Bonds. The proceeds of the Bonds issued under and attributable to the Measure K Authorization, the Measure R Authorization and the Measure Y

Authorization will be applied for the purposes specified in the Measure K Authorization, the Measure R Authorization and the Measure Y Authorization, as applicable.

SECTION 5. Authorization and Designation of the Bonds. This Board of Supervisors hereby authorizes on behalf of the District, the issuance and sale of (i) Bonds pursuant to the Measure K Authorization designated as “Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series E (2010)” in an aggregate principal amount not to exceed \$150,000,000, (ii) Bonds pursuant to the Measure R Authorization designated as “Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series K (2010)” in an aggregate principal amount not to exceed \$870,000,000, (iii) Bonds pursuant to the Measure Y Authorization designated as “Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series I (2010)” in an aggregate principal amount not to exceed \$1,840,000,000 and/or (iv) Bonds pursuant to the Measure K Authorization, Measure R Authorization and Measure Y Authorization or any combination thereof that may be grouped in one or more Series to be designated the “Los Angeles Unified School District General Obligation Bonds, Series KRY (2010)” with such additional designations as Tax-Exempt Bonds, Taxable Bonds, Build America Bonds, Qualified School Construction Bonds (Tax Credit Bonds), Qualified School Construction Bonds (Direct Subsidy Bonds) or Clean Renewable Energy Bonds (Tax Credit Bonds), as the case may be, and such other series, subseries or additional designations as may be set forth in a Bond Purchase Agreement or the Notice Inviting Proposals, or a combination thereof, in an aggregate principal amount not to exceed \$2,184,795,000.

SECTION 6. Form and Execution of Bonds, Principal Strip Certificates and Tax Credit Certificates.

(a) Book-Entry. DTC is hereby appointed depository for the Bonds. The Bonds may be issued in book-entry form or definitive form. The Book-Entry Bonds shall be initially registered in the name of “Cede & Co.,” as nominee of DTC, and registered ownership of the Book-Entry Bonds may not thereafter be transferred except as provided in Section 11 hereof.

(b) Form of Bonds, Principal Strip Certificates, Tax Credit Certificates. The Bonds shall be issued in fully registered form without coupons. The Current Interest Bonds, Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, Qualified School Construction Bonds (Tax Credit Bonds), including the related Principal Strip Certificates and the Tax Credit Certificates, Qualified School Construction Bonds (Direct Subsidy Bonds), Clean Renewable Energy Bonds (Tax Credit Bonds), Interest Bearing Bonds, including the Principal Strip Certificates and Cash Interest Certificates, and Build America Bonds (Direct Subsidy Bonds) and the related paying agent’s certificate of authentication and registration and form of assignment to appear on each of them, shall be in substantially the form attached hereto as Exhibit A, Exhibit B, Exhibit C, Exhibit D, Exhibit E, Exhibit F, Exhibit G and Exhibit H respectively, with necessary or appropriate variations, omissions and insertions as permitted or required by this County Resolution.

The Qualified School Construction Bonds issued as tax credit bonds and Clean Renewable Energy Bonds may be issued in a form that permits the separation of the ownership of the Principal Component of the Qualified School Construction Bonds and Clean Renewable Energy Bonds from the entitlement of the Owner thereof to the related Tax Credits pursuant to the related Tax Credits Separation Certificate and the separation of the ownership of the

Principal Component of an Interest Bearing Bond, from and after a Tax Credit Conversion Date, from the entitlement of the Owner thereof to the related cash interest payment pursuant to the related Tax Credits Separation Certificate. Further, the Qualified School Construction Bonds issued as tax credit bonds and Clean Renewable Energy Bonds may be issued in a form that permits the recombination of Principal Strip Certificates and Tax Credit Certificates into Qualified School Construction Bonds and Clean Renewable Energy Bonds, as applicable, the recombination of Principal Strip Certificates and Cash Interest Certificates into Interest Bearing Bonds pursuant to the related Tax Credits Separation Certificate and the conversion of the Qualified School Construction Bonds issued as tax credit bonds or Clean Renewable Energy Bonds to Interest Bearing Bonds. The Qualified School Construction Bonds issued as tax credit bonds and the Clean Renewable Energy Bonds may also be issued in a form that permits the separation of the Principal Component of a Bond that bears interest prior to the Tax Credit Conversion Date from the right to received such interest, and the recombination of such Principal Component and right to receive such interest pursuant to the related Tax Credits Separation Certificate.

The Bonds, the Principal Strips Certificates, the Tax Credit Certificates, Cash Interest Certificates and any certificate evidencing the right to receive interest payable prior to a Tax Credit Conversion Date shall be issued with such terms and in such form as permitted or required by this County Resolution and the related Tax Credits Separation Certificate. The Authorized County Officer is authorized to execute such Principal Strips Certificates, the Tax Credit Certificates, Cash Interest Certificates and certificates evidencing the right to receive interest payable prior to a Tax Credit Conversion Date

(c) Execution of Bonds; Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates.

(i) The Bonds shall be signed on behalf of the County by the manual or facsimile signatures of the Chair of the Board of Supervisors and the County Treasurer or any authorized deputy thereof, and countersigned on behalf of the County by the manual or facsimile signature of the Clerk or any authorized deputy thereof. The Bonds shall be authenticated by a manual signature of a duly authorized officer of the Paying Agent.

(ii) The Interest Bearing Bonds shall also be signed and authenticated in accordance with the related Tax Credits Separation Certificate.

(iii) The Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates shall be signed and authenticated in accordance with the related Tax Credits Separation Certificate.

(d) Valid Authentication. Only such of the Bonds, Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates as shall bear thereon a certificate of authentication and registration as described in subsection (b), executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this County Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this County Resolution.

(e) Identifying Number. The Paying Agent shall assign each Bond, Principal Strip Certificate, Tax Credit Certificate and Cash Interest Certificate authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof at its principal corporate trust office, which record shall be available to the District and the County for inspection.

(f) Bonds, Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates Mutilated, Lost, Destroyed or Stolen. If any Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall become mutilated, the County and the District, as applicable, at the expense of the Owner of said Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, of like tenor in exchange and substitution for the Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, so mutilated, but only upon surrender to the Paying Agent of the Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate so mutilated. Every mutilated Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate so surrendered to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the District. If any Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence and indemnity satisfactory to the Paying Agent, the District and the County shall be given, the County and the District, as applicable, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, of like tenor in lieu of and in replacement for the Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate so lost, destroyed or stolen (or if any such Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, the Paying Agent may pay the same without surrender thereof). The District may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate issued under this Section and of the expenses which may be incurred by the County, the District and the Paying Agent. Any Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate issued under the provisions of this Section in lieu of any Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the County and the District whether or not the Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this County Resolution and the Tax Credits Separation Certificate, if applicable, with all other Bonds, Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates secured by this County Resolution.

SECTION 7. Terms of Bonds.

(a) Terms of Bonds; Date of Bonds. The Bonds shall be issued as Current Interest Bonds, Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, Qualified School

Construction Bonds or Clean Renewable Energy Bonds (which may be converted to Interest Bearing Bonds pursuant to this County Resolution and the related Tax Credits Separation Certificate) or any combination thereof as set forth in the Bond Purchase Agreements or the Notice Inviting Proposals therefor. Each Bond shall be dated its date of delivery, or such other date and shall have such other terms and provisions as shall be set forth in the Bond Purchase Agreement or the Notice Inviting Proposals relating to such series or subseries of Bonds.

(b) Denominations. The Bonds shall be issued in Authorized Denominations. Each series or subseries of Bonds shall mature on the dates and have Conversion Dates, if any, in each of the years, in the principal amounts, Conversion Values and Maturity Values, as applicable, as shall be set forth in the Bond Purchase Agreement or the Notice Inviting Proposals relating to such Bonds. No Bond shall mature later than such date as authorized by law.

(c) Interest. The Bonds shall bear or accrete interest computed on the basis of a 360 day year of twelve (12) 30-day months (or computed on such other basis as shall be set forth in the Bond Purchase Agreement or the Notice Inviting Proposals relating to such Bonds), payable or compounded, as applicable, on each Interest Payment Date in each year or on such other dates and commencing on such dates, all as shall be set forth in the Bond Purchase Agreement or the Notice Inviting Proposals relating to such Bonds. The related Tax Credits Separation Certificate relating to the Qualified School Construction Bonds issued as tax credit bonds and the Clean Renewable Energy Bonds may provide that such Bonds shall not bear interest until such Bonds lose their status or fail to qualify as Qualified School Construction Bonds or Clean Renewable Energy Bonds under Section 54D of the Code and Section 54C of the Code, respectively; provided, however, that (i) the Owner of the Principal Strip Certificate related to a Principal Component shall be entitled to the Supplemental Coupon, if any, related to such Qualified School Construction Bond, Clean Renewable Energy Bond or Interest Bearing Bond, if any, as applicable, payable on each Interest Payment Date in each year or on such other dates and commencing on such dates as provided in the related Notice Inviting Proposals or Bond Purchase Agreement and the related Tax Credits Separation Certificate, as applicable, so long as such Supplemental Coupon has not been separated from such Principal Strip Certificate in accordance with this Resolution, and (ii) in the event a Determination of Loss of Qualified School Construction Bond Status or Determination of Loss of Clean Renewable Energy Bond Status or the election by the District to convert the Qualified School Construction Bonds issued as tax credit bonds or Clean Renewable Energy Bonds to Interest Bearing Bonds has occurred or as otherwise set forth in the related Tax Credits Separation Certificate, such Interest Bearing Bonds shall bear interest at the Tax Credit Rate, which shall be in addition the Supplemental Coupon, if any, which shall be payable on each Interest Payment Date in each year or on such other dates and commencing on such dates as provided in the related Notice Inviting Proposals or Bond Purchase Agreement and the related Tax Credits Separation Certificate.

To the extent any portion of the Bonds are designated as Build America Bonds or Qualified School Construction Bonds (Direct Subsidy), any direct subsidy of interest paid to or on behalf of the District by the federal government under the Code in connection with such Build America Bonds or Qualified School Construction Bonds (Direct Subsidy) shall, promptly upon receipt by the District or the County, be deposited into the Interest and Sinking Funds of the District established for payment of such Bonds. Without limiting the generality of the foregoing, the Board of Supervisors, in each fiscal year set forth in the Bond Purchase Agreement or the

Notice Inviting Proposals, shall include in the County's tax levy the amounts to be set aside for payment of such Qualified School Construction Bonds and Clean Renewable Energy Bonds at maturity, as set forth in the Bond Purchase Agreement therefor.

The Current Interest Bonds, Qualified School Construction Bonds and Clean Renewable Energy Bonds, as applicable, shall bear interest payable on each Interest Payment Date at the rates set forth in the related Bond Purchase Agreement or the Notice Inviting Proposals. The Capital Appreciation Bonds are payable only at maturity or the prior redemption thereof, and shall not bear interest on a current basis. Each Capital Appreciation Bond shall increase in value by the accumulation of earned interest from its initial principal (denominational) amount on the date of issuance thereof to its Maturity Value at a compounded interest rate on each Interest Payment Date as set forth in the related Bond Purchase Agreement or the Notice Inviting Proposals. The Convertible Capital Appreciation Bonds prior to their respective Conversion Dates shall not bear current interest but shall instead increase in value in the manner of a Capital Appreciation Bond as set forth in this subsection (c). From and after the respective Conversion Date of a Convertible Capital Appreciation Bond, such Convertible Capital Appreciation Bonds shall bear interest on its Conversion Value as of the Conversion Date, payable commencing on the Interest Payment Date following its Conversion Date, and thereafter on each Interest Payment Date in each year.

Each Current Interest Bond, Convertible Capital Appreciation Bond following its Conversion Date and Qualified School Construction Bond or Clean Renewable Energy Bond, if applicable, shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated as of a day during the period after the Record Date immediately preceding any Interest Payment Date to and including such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date, with respect to Current Interest Bonds, Qualified School Construction Bonds and Clean Renewable Energy Bonds, as applicable, or the first Interest Payment Date following the applicable Conversion Date, with respect to Convertible Capital Appreciation Bonds, in which event it shall bear interest from its Conversion Date; provided, that if, at the time of authentication of any Bond, interest is in default on any outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds, payable on each Interest Payment Date.

(d) Designation of Taxable Bonds; Determination in Connection with Federally Taxable Bonds. A portion of the Bonds may be designated as (i) Qualified School Construction Bonds in accordance with Section 54F of the Code, (ii) Clean Renewable Energy Bonds in accordance with Section 54C of the Code and (iii) Build America Bonds in accordance with Section 54AA of the Code. In accordance with Section 5903 of the Government Code, this Board of Supervisors hereby determines that the interest payable on the portion of Bonds to be issued as Qualified School Construction Bonds, Clean Renewable Energy Bonds and Build America Bonds will be subject to federal income taxation, as set forth in the related Bond Purchase Agreement or the Notice Inviting Proposals, with respect to the Qualified School Construction Bonds, Build America Bonds and Clean Renewable Energy Bonds and the related Tax Credits Separation Certificate. An Authorized District Officer may elect (i) pursuant to Section 54AA of the Code that with respect to the Bonds to be designated as Build America

Bonds, in lieu of any tax credit allowed under Section 54AA of the Code, the District shall be allowed a tax credit as provided in Section 6431 of the Code and (ii) pursuant to the Code that with respect to Bonds to be designated as Qualified School Construction Bonds (Direct Subsidy), in lieu of any tax credit allowed under Section 54A of the Code, the District shall be allowed a tax credit as provided in the Code.

SECTION 8. Payment.

(a) Principal; Accreted Value. The principal of the Current Interest Bonds, the Qualified School Construction Bonds, Clean Renewable Energy Bonds, Interest Bearing Bonds and Principal Strip Certificates, if any, and the Accreted Value of the Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, if any, shall be payable, when due or upon redemption prior thereto, in lawful money of the United States of America to the person whose name appears on the Registration Books of the Paying Agent (as described in Section 10(c) hereof) as the Owner, upon the surrender thereof at the principal corporate trust office of the Paying Agent.

(b) Interest; Record Date. The interest on the Current Interest Bonds, Convertible Capital Appreciation Bonds after the Conversion Date, Qualified School Construction Bonds, Clean Renewable Energy Bonds and Interest Bearing Bonds, if any, as applicable, shall be payable when due in lawful money of the United States of America to the Owner thereof or, if applicable, to the Owner of the related Qualified School Construction Bonds, Clean Renewable Energy Bonds, Interest Bearing Bonds, Principal Strip Certificates or Cash Interest Certificates, as of the Record Date, whether or not such day is a business day, such interest to be paid by check mailed on such Interest Payment Date (if a business day, or on the next business day if the Interest Payment Date does not fall on a business day) to such Owner at such Owner's address as it appears on the Registration Books described in Section 10(c) or at such address as the Owner may have filed with the Paying Agent for that purpose except that the payment shall be made in immediately available funds (*e.g.*, by wire transfer) to any Owner of at least one million dollars (\$1,000,000) of outstanding principal amount or Accreted Value of Bonds, Principal Strip Certificates or Cash Interest Certificates, or any combination thereof, who shall have requested in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any Interest Payment Date or as provided by the related Bond Purchase Agreements or the Notice Inviting Proposals. So long as Cede & Co. or its registered assigns shall be the Owner of the Bonds, payment shall be made in immediately available funds as provided in Section 11(d) hereof.

(c) Interest and Sinking Fund. Principal and interest, if any, due on the Bonds shall be paid from the respective Interest and Sinking Fund of the District for the related series or subseries of Bonds as provided in Section 15146 of the Education Code. To the extent any portion of the Bonds are designated as Build America Bonds or Qualified School Construction Bonds (Direct Subsidy), any direct subsidy of interest paid to or on behalf of the District by the federal government under the provisions of the Code in connection with such Build America Bonds or Qualified School Construction Bonds shall, promptly upon receipt by the County, be deposited into the Interest and Sinking Fund of the District established for payment of such Build America Bonds or Qualified School Construction Bonds. No part of any fund of the County is pledged or obligated to the payment of the Bonds.

(d) Sinking Fund Accounts. The Auditor-Controller of the County is hereby authorized to create such sinking funds or accounts for the Qualified School Construction Bonds, Clean Renewable Energy Bonds and/or Interest Bearing Bonds as may be necessary or desirable to provide for the accumulation of funds sufficient to pay the Qualified School Construction Bonds, Clean Renewable Energy Bonds and/or the Interest Bearing Bonds when due.

SECTION 9. Redemption and Tender for Purchase Provisions.

(a) Redemption; Tender for Purchase. The Bonds of each series or subseries shall be subject to redemption or, at the option of the District, tender for purchase on the dates and terms as shall be designated in the related Bond Purchase Agreement or the Notice Inviting Proposals, as applicable. The Auditor-Controller of the County is hereby authorized to create such bond purchase funds or accounts for the tendered Qualified School Construction Bonds, Clean Renewable Energy Bonds and/or the Interest Bearing Bonds as shall be necessary or desirable to accomplish the purposes of this Section. With respect to Bonds, if any, designated as “Term Bonds” in the related Bond Purchase Agreement or the Notice Inviting Proposals, as applicable, the principal amount or Accreted Value of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date and allocated by the District to such sinking fund payment or as otherwise provided for in the Bond Purchase Agreement or the Notice Inviting Proposals, as applicable, or as directed by the District.

(b) Notice of Redemption. Notice of redemption of any Bonds shall be given by the Paying Agent upon the written request of the District given at least 60 days prior to the date designated for such redemption. Notice of any redemption of Bonds shall be mailed postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date (i) by first class mail to the respective Owners thereof at the addresses appearing on the Registration Books described in Section 10(c) and (ii) as may be further required in accordance with the Continuing Disclosure Certificate of the District described in Section 17.

Each notice of redemption shall contain all of the following information:

- (i) the date of such notice;
- (ii) the name of the Bonds and the date of issue of the Bonds;
- (iii) the redemption date;
- (iv) the redemption price;
- (v) the maturity dates of the Bonds to be redeemed;
- (vi) (if less than all of the Bonds of any maturity of a series are to be redeemed) the distinctive numbers of the Bonds of each maturity of such series to be redeemed;
- (vii) (in the case of Bonds redeemed in part only) the respective maturities or portions of the principal amount of the Bonds of each maturity to be redeemed;

(viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed;

(ix) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent;

(x) notice that further interest on such Bonds will not accrue after the designated redemption date; and

(xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

(c) Effect of Notice. A certificate of the Paying Agent or the District that notice of call and redemption has been given to Owners as herein provided shall be conclusive as against all parties. The actual receipt by the Owner of any Bond of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Bonds called for redemption is set aside for the purpose as described in subsection (d) of this Section, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon or the value thereof accrete as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the redemption premium thereon, if any, only to the Interest and Sinking Fund or the escrow fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

Any notice of optional redemption of the Bonds delivered in accordance with this Section 9 may be conditional and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, said notice (i) shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds; (iii) the redemption shall not be made and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons and in the manner in which the conditional notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled.

The District may rescind any optional redemption and notice thereof for any reason on any date prior to or on the date fixed for redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(d) Redemption Fund. Prior to or on the redemption date of any Bonds there shall be available in the applicable Interest and Sinking Fund, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the premiums payable as in this County Resolution provided, the Bonds designated in any notice of redemption. Such monies so set aside in any such escrow fund shall be applied on or after the redemption date solely for payment of principal of and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all monies in the applicable Interest and Sinking Fund shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the applicable Interest and Sinking Fund, unless otherwise provided for to be paid from such escrow. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the applicable Interest and Sinking Fund or otherwise held in trust for the payment of the redemption price of the Bonds, those monies shall be held in or returned or transferred to the applicable Interest and Sinking Fund for payment of any outstanding bonds of the District payable from that fund; provided, however, that if those monies are part of the proceeds of bonds of the District, the monies shall be transferred to the applicable Interest and Sinking Fund. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

(e) Defeasance of Bonds. If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all outstanding Bonds all of the principal or Accreted Value of, premium, if any, and interest on such Bonds at the times and in the manner provided herein and in the Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation of the District as provided in Section 13 hereof, and such obligation and all agreements and covenants of the District and of the County to such Owners hereunder and under the Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal or Accreted Value of, premium, if any, and interest on such Bonds, but only out of monies on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment; and provided further, however, that the provisions of subsection (f) hereof shall apply in all events.

All or any portion of the outstanding maturities of the Bonds other than Qualified School Construction Bonds and Clean Renewable Energy Bonds except to the extent set forth in the related Tax Credits Separation Certificate may be defeased prior to maturity in the following ways:

(i) by irrevocably depositing with the Paying Agent an amount of cash that, together with amounts then on deposit in the Interest and Sinking Fund, is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal or Accreted Value of, premium, if any, and interest; or

(ii) by irrevocably depositing with the Paying Agent, Defeasance Securities, together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and monies then on deposit in the Interest and Sinking Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal or Accreted

Value thereof, premium, if any, and interest thereon) at or before their maturity date.

In the event that Bonds are being defeased pursuant to paragraph (ii) of subsection (e) of this Section, the appointment of the independent certified public accountant referred to therein and any escrow agent selected in connection with said defeasance shall both be subject to County approval.

(f) Unclaimed Monies. Any money held in any fund created pursuant to this County Resolution, or by the Paying Agent in trust, for the payment of the principal or Accreted Value of, premium, if any, or interest on the Bonds and remaining unclaimed for one year after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the Interest and Sinking Fund for payment of any outstanding bonds of the District payable from that fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

SECTION 10. Paying Agent and Disbursement Agent.

(a) Appointment; Payment of Fees and Expenses. This Board of Supervisors does hereby appoint the County Treasurer to act as the initial Paying Agent, and does confirm said appointment for purposes of this County Resolution. All fees and expenses of the Paying Agent shall be the sole responsibility of the District, and to the extent not paid from the proceeds of sale of the Bonds, or from the Interest and Sinking Fund, insofar as permitted by law, including specifically by Section 15232 of the Education Code and insofar as money in the Interest and Sinking Fund is sufficient therefor, such fees and expenses shall be paid by the District.

(b) Resignation, Removal and Replacement of Paying Agent. The Paying Agent initially appointed or any successor Paying Agent may resign from service as Paying Agent and may be removed by the County. In such event, the County Treasurer shall appoint a successor Paying Agent, which shall be a bank or trust company doing business in and having a corporate trust office in the County, with at least \$100,000,000 in net assets.

(c) Registration Books. The Paying Agent will keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on the books, Bonds as provided in Sections 11 and 12 hereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the County in a format mutually agreeable to the Paying Agent and the County.

(d) Disbursement Agent. For any period of time in which the County Treasurer is not acting in the capacity of Paying Agent, the County Treasurer shall serve as disbursement agent hereunder and shall transfer monies from the Interest and Sinking Fund to the Paying Agent in order to make payments of principal and interest on the Bonds.

SECTION 11. Transfer Under Book-Entry System; Discontinuation of Book-Entry System.

(a) Notwithstanding anything to the contrary contained in this County Resolution, all payments with respect to the principal or Accreted Value of, premium, if any, and interest on any Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of same-day funds to the account of Cede & Co. on the payment date for the Bonds at the address indicated on the Record Date for Cede & Co. in the Registration Books or as otherwise provided in the Letter of Representations.

In connection with any notice or other communication to be provided to Owners of Book-Entry Bonds pursuant to this County Resolution by the County, the District or the Paying Agent with respect to any consent or other action to be taken by Owners, the County, the District or the Paying Agent, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

Except as may be otherwise provided by the related Bond Purchase Agreement or the Notice Inviting Proposals, the Bonds shall be initially issued in the form of separate single fully registered Bonds in the amount of each separate stated maturity of each series and subseries of Current Interest Bonds, Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, Qualified School Construction Bonds, Clean Renewable Energy Bonds and Interest Bearing Bonds, if any; provided, however, that if different CUSIP numbers are assigned to a Bond of a subseries or type of Bond within a subseries maturing in a single year or, if Bonds of a subseries or type of Bond maturing in a single year are issued with different interest rates, additional Bond certificates shall be prepared for each maturity. Unless otherwise provided in the related Bond Purchase Agreement or the Notice Inviting Proposals, upon initial issuance, the ownership of such Bonds shall be registered in the Registration Books in the name of Cede & Co., as nominee of DTC. The Paying Agent, the County and the District may treat DTC (or its nominee) as the sole and exclusive Owner of the Bonds registered in its name for the purposes of payment of the principal or Accreted Value of, premium, if any, and interest, if any, on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners of Bonds under this County Resolution, registering the transfer of Bonds, obtaining any consent or other action to be taken by Owners of Bonds if any, and for all other purposes whatsoever, and the Paying Agent, the County and the District shall not be affected by any notice to the contrary. The Paying Agent, the County and the District shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Registration Books as being an Owner, with respect to the accuracy of any records maintained by DTC or any Participant; the payment by DTC or any Participant of any amount in respect of the principal or Accreted Value of, premium, if any, and interest on the Bonds; any notice which is permitted or required to be given to Owners of Bonds under this County Resolution; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by DTC as Owner of Bonds. The Paying Agent shall pay all principal or Accreted Value of, premium, if any, and interest on the Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal or Accreted Value of, premium,

if any, and interest on the Bonds to the extent of the sum or sums so paid. Except under the conditions set forth under Section 12 hereof no person other than DTC shall receive an executed Bond for each separate stated maturity of each series and subseries of Current Interest Bonds, Capital Appreciation Bonds, Convertible Capital Appreciation Bonds, Qualified School Construction Bonds, Clean Renewable Energy Bonds and Interest Bearing Bonds, if any, or, as provided herein, portion thereof. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the term "Cede & Co." in this County Resolution shall refer to such new nominee of DTC.

(b) The Bonds, Principal Strip Certificates, Tax Credit Strip Certificates and Cash Interest Certificates, if any, shall be initially issued and registered as provided in Section 6 and subsection (a) of this Section 11 or as otherwise provided in the related Bond Purchase Agreement or the Notice Inviting Proposals. Registered ownership of such Bonds or any portion thereof may not thereafter be transferred except:

(i) To any successor of Cede & Co., as nominee of DTC, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this Section (a "substitute depository"); provided, that any successor of Cede & Co., as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District or the County, upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the County (upon consultation with the District) to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the County (upon consultation with the District) to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

(c) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (b) of this Section, upon receipt of the outstanding Bonds by the Paying Agent, together with a written request of the District or County to such Paying Agent, a new Bond for each Bond so delivered shall be executed and delivered in the aggregate principal amount, Maturity Value or Conversion Value, as applicable, of such Bond, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District or County. In the case of any transfer pursuant to clause (iii) of subsection (b) of this Section, upon receipt of the outstanding Bonds by the Paying Agent together with a written request of the District or County to such Paying Agent, new Bonds shall be executed and delivered in such denominations, numbered in the manner determined by the Paying Agent, and

registered in the names of such persons, as are requested in such written request of the District or County, subject to the limitations of Sections 6 and 7, and the receipt of such a written request of the District or County, and thereafter, the Bonds shall be transferred pursuant to the provisions set forth in Section 12 of this County Resolution; provided, that the Paying Agent shall not be required to deliver such new Bonds within a period of less than sixty (60) days after the receipt of any such written request of the District or County.

(d) So long as the outstanding Bonds are registered in the name of Cede & Co. or its registered assigns, the District, the County and the Paying Agent shall cooperate with Cede & Co., as sole Owner, or its registered assigns in effecting payment of the principal of and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available (*e.g.*, by wire transfer) on the date they are due.

SECTION 12. Transfer and Exchange.

(a) Transfer. Following the termination or removal of the depository pursuant to Section 11 hereof, any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 10(c) hereof, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent. The Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates shall be transferred as provided in the Tax Credits Separation Certificate.

Whenever any Bond or Bonds shall be surrendered for transfer, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 6, a new Bond or Bonds of the same series, subseries, term, maturity, interest rate and interest payment mode, if any, and, in the case of Current Interest Bonds, Qualified School Construction Bonds, Clean Renewable Energy Bonds and Interest Bearing Bonds, if any, for a like aggregate principal amount, and in the case of Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, for a like aggregate Maturity Value or Conversion Value, as applicable. The Paying Agent may require the payment by any Owner of Bonds requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

The Paying Agent shall not be obligated to make any transfer or exchange of any Bond pursuant to this Section during the period from (1) the close of business on the applicable Record Date to and including the succeeding Interest Payment Date, or (2) the period established by the Paying Agent for the selection of Bonds for redemption, in whole or in part, to and including the designated redemption date or with respect to any Bonds selected for redemption as set forth in the related Bond Purchase Agreement or the Notice Inviting Proposals.

(b) Exchange. The Bonds may be exchanged for Bonds of other authorized denominations of the same series, subseries, term, maturity, interest rate and interest payment mode, if any, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed request for exchange in a form approved by the Paying Agent. The Principal Strip

Certificates, Tax Credit Certificates and Cash Interest Certificates shall be exchanged as provided in the Tax Credits Separation Certificate.

Whenever any Bond or Bonds shall be surrendered for exchange, the designated County officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 6, a new Bond or Bonds of the same series, subseries, term, maturity, interest rate and interest payment mode, if any, and in the case of Current Interest Bonds, Qualified School Construction Bonds, Clean Renewable Energy Bonds and Interest Bearing Bonds, if any, for a like aggregate principal amount, and in the case of Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, for a like aggregate Maturity Value or Conversion Value, as applicable. The Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Paying Agent shall not be obligated to make any transfer or exchange of any Bond pursuant to this Section during the period from (1) the close of business on the applicable Record Date to and including the succeeding Interest Payment Date, or (2) the period established by the Paying Agent for the selection of Bonds for redemption, in whole or in part, to and including the designated redemption date or with respect to any Bonds selected for redemption as set forth in the related Bond Purchase Agreement or the Notice Inviting Proposals.

SECTION 13. Security for the Bonds. The obligation to pay principal or Accreted Value of, premium, if any, and interest on the Bonds is a statutory obligation of the District, payable as described in the Bond Purchase Agreement or the Notice Inviting Proposals relating to such Bonds and shall be raised by taxation upon all taxable property in the District and provision shall be made for the levy and collection of such taxes in the manner provided by law and for such payment out of the Interest and Sinking Fund. To the extent any portion of the Bonds are designated as Build America Bonds, any direct subsidy of interest paid to or on behalf of the District by the federal government under the provisions of the Recovery Act in connection with such Build America Bonds shall, promptly upon receipt by the District or the County, be deposited into the Interest and Sinking Fund of the District established for payment of such Build America Bonds. The Board of Supervisors of the County hereby covenants to levy *ad valorem* taxes for the payment of the Bonds (and set-aside requirements on the Qualified School Construction Bonds, Clean Renewable Energy Bonds and Interest Bearing Bonds, if any, as applicable) on all property in the District subject to taxation by the County without limitation as to rate or amount (except certain personal property which is taxable at limited rates).

SECTION 14. Sale of the Bonds. Bonds shall be sold at one or more competitive sales and under conditions set forth in the Notice Inviting Proposals, by one or more negotiated sales pursuant to one or more Bond Purchase Agreements, if determined by the Authorized District Officer, in consultation with the Treasurer and Tamalpais Advisors, Inc. - Kelling, Northcross & Nobriga, A Joint Venture, the Financial Advisor to the District (the "Financial Advisor") to be in the best interest of the District, or any combination of the foregoing.

(a) **Competitive Sale.** In the event that a competitive sale of all or a portion of the Bonds is determined to be in the best interest of the District, the form of Notice of Intention to Sell Bonds (the "Notice of Intention") submitted to and on file with the Clerk of this Board of Supervisors is hereby approved and authorized to be published. The form and distribution of the Notice Inviting Proposals substantially in the form submitted to and on file with the Clerk of this

Board of Supervisors are hereby approved in connection with the offering and sale of such Bonds. The actions of the Financial Advisor, on behalf of the District, in distributing the Notice Inviting Proposals, to such municipal bond broker-dealers, to such banking institutions and to such other persons as may be interested in purchasing the Bonds therein offered for sale, are hereby approved. The Authorized County Officer, is hereby authorized and directed on behalf of the District to cause the sale of the Bonds in one or more series or subseries of Bonds, as necessary, including for the sale of Tax-Exempt Bonds, Qualified School Construction Bonds or Clean Renewable Energy Bonds, if the Authorized District Officer has determined that the sale of such Bonds is in the best interests of the District. The Authorized County Officer in consultation with the Financial Advisor, is hereby authorized to accept the highest responsible bids for each tranche of the Bonds offered pursuant to the Notice of Intention producing the lowest true interest cost to the District with respect to such tranche of Bonds; provided, that (i) the true interest cost for the Tax-Exempt Bonds offered pursuant to the Notice of Intention shall not be in excess of 7% per annum, the true interest costs for the Build America Bonds offered pursuant to the Notice of Intention, taking into account the credit allowed under Section 6431 of the Code, shall not be in excess of 7% per annum and the true interest cost for any Qualified School Construction Bonds and Clean Renewable Energy Bonds offered pursuant to the Notice of Intention shall not be in excess of 9% per annum; (ii) the Underwriters' compensation for any Series of Bonds shall not exceed 1% of the aggregate principal amount of a series of Bonds sold under the Notice Inviting Proposals; and (iii) the Bonds shall otherwise conform to the limitations specified herein. In the event two or more bids setting forth identical true interest costs are received, the first bid submitted, as determined by reference to the time displayed on the electronic bidding site, shall be deemed to be the winning bid. The Authorized County Officer may, in his or her discretion, reject any and all bids and waive any irregularity or informality in any bid. The Authorized County Officer in consultation with the Chief Financial Officer of the District, shall award the Bonds or reject all bids not later than 26 hours after the expiration of the time prescribed for the receipt of proposals unless such time of award is waived by the successful bidder(s).

(b) Negotiated Sale. In the event that a negotiated sale or negotiated sales of all or a portion the Bonds are determined to be in the best interest of the District, the form of Bond Purchase Agreement submitted to and on file with the Clerk of this Board of Supervisors providing for the sale by this Board of Supervisors and the purchase by the Underwriters of such Bonds at a purchase price to be set forth in each such Bond Purchase Agreement (which purchase price or purchase prices shall be approved by the Authorized County Officer or his designee, this Board of Supervisors hereby expressly delegating to such officer the authority to execute each Bond Purchase Agreement on its behalf), is hereby approved; provided that (i) the true interest cost for the Tax-Exempt Bonds sold pursuant to such Bond Purchase Agreement shall not be in excess of 7% per annum, the true interest costs for the Build America Bonds sold pursuant to such Bond Purchase Agreement, taking into account the credit allowed under Section 6431 of the Code, shall not be in excess of 7% per annum and the true interest cost for the Qualified School Construction Bonds and Clean Renewable Energy Bonds sold pursuant to such Bond Purchase Agreement shall not be in excess of 9% per annum; (ii) the Underwriters' compensation for any Series or subseries of Bonds shall not exceed 1% of the aggregate principal amount of a Series or subseries of Bonds sold under each Bond Purchase Agreement; and (iii) the Bonds shall otherwise conform to the limitations specified herein. An Authorized County Officer is hereby authorized and directed to execute and deliver one or more Bond

Purchase Agreements relative to one or more series or subseries of Bonds, as necessary, including for the sale of Tax-Exempt Bonds, Build America Bonds, Qualified School Construction Bonds or Clean Renewable Energy Bonds if the Authorized District Representative has determined that the sale of such Bonds is in the best interests of the District; provided that, any such Bond Purchase Agreement so executed and delivered shall conform to the limitations provided in this Section 14. Each Bond Purchase Agreement for one or more series or subseries of Bonds, together with this County Resolution and the related Tax Credits Separation Certificate, shall constitute the order of the Board of Supervisors for purposes of Section 15230 of the Education Code. The Authorized County Officer is hereby authorized and directed to accept any offer of the Underwriters when said offer is satisfactory to the Authorized County Officer, and to execute and deliver one or more Bond Purchase Agreements for the purchase of a portion or all of the Bonds on behalf of the County, each in substantially the form of the Bond Purchase Agreement now on file with this Board of Supervisors, with such changes therein as shall be approved by the Authorized County Officer executing the same, and such execution shall constitute conclusive evidence of the Authorized County Officer's approval and this Board of Supervisors' approval of any change therein from the form of such Bond Purchase Agreement.

SECTION 15. Deposit and Investment of Proceeds.

(a) The proceeds of sale of the Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury and credited to the building fund of the District (the "Building Fund"). The District shall have sole responsibility that such proceeds be used for the purpose for which the Bonds are being issued. Any premium and accrued interest received shall be deposited in the Interest and Sinking Fund within the County treasury.

(b) All funds attributable to the Bonds held by the County Treasurer hereunder on behalf of the District shall be invested by the County Treasurer or its agent in the County Investment Pool, the Local Agency Investment Fund, any investment authorized pursuant to Sections 53601 and 53635 of the State Government Code, or in any Investment Agreement; provided that such agreements comply with the requirements of Section 148 of the Code, to the extent applicable to the related series or subseries of Bonds, and with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds.

Subject to a determination by the Chief Financial Officer of the District, any Authorized District Officer of the District may request the County Treasurer to deposit any investment of all or any portion of the related Building Fund or the related Interest and Sinking Fund of the District pursuant to California Education Code Section 41015 in accordance with the instructions of the Authorized District Officer and California Education Code Section 41016.

(c) Any excess proceeds of the Bonds on deposit in the related Building Fund not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the related Interest and Sinking Fund and applied to the payment of principal of, premium, if any, and interest on the Bonds; provided, however, that when all of the principal of and interest on all of the Bonds have been paid, any balance then remaining in said fund shall be transferred to the general fund of the District as permitted and provided for in Section 15234 of the Education Code.

The District Resolution provides that the Authorized District Officer may request that the County Treasurer, subject to his fiduciary responsibilities, invest funds held in the Interest and Sinking Fund of the District and in the Building Fund of the District in specific investments, so as to effectively coordinate the investments to the construction program of the District and the debt service payments on the Bonds. On behalf of the County Treasurer and as part of the County treasury, the Paying Agent may establish and maintain one or more separate accounts designated as the “Los Angeles Unified School District General Obligation Bonds, 2010 Qualified School Construction Bonds (Tax Credit Bonds) Sinking Fund Deposit Account” (each, a “Qualified School Construction Bond Sinking Fund Deposit Account”) and “Los Angeles Unified School District General Obligation Bonds, 2010 Clean Renewable Energy Bonds (Tax Credit Bonds) Sinking Fund Deposit Account” (each, a “Clean Renewable Energy Bond Sinking Fund Deposit Account”) which shall constitute an account of the Interest and Sinking Fund for the Qualified School Construction Bonds, Clean Renewable Energy Bonds and Interest Bearing Bonds, if any. In addition, the Paying Agent may establish and maintain any other account for tendered Qualified School Construction Bonds, Clean Renewable Energy Bonds and Interest Bearing Bonds, if any, as may be necessary or desirable in connection with the provisions of this County Resolution, the District Resolution and each Tax Credits Separation Certificate. Upon the payment and discharge of the Qualified School Construction Bonds, Clean Renewable Energy Bonds or Interest Bearing Bonds, if any, any amounts remaining in the Qualified School Construction Bond Sinking Fund Deposit Account or Clean Renewable Energy Bond Sinking Fund Deposit Account, as applicable, shall be transferred by the Paying Agent to the County and such Qualified School Construction Bond Sinking Fund Deposit Account or Clean Renewable Energy Bond Sinking Fund Deposit Account shall be closed.

SECTION 16. Tax Covenants.

(a) Tax-Exempt Bonds. The County acknowledges and relies upon the fact that the District has represented and covenanted that it shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of the interest payable on the Tax-Exempt Bonds under Section 103 of the Code, and that it will comply with the requirements of the initial Tax Certificate and each subsequent Tax Certificate of the District with respect to the Tax-Exempt Bonds to be executed into by the District as of the respective dates of issuance of the Bonds, and further that such representation and covenant shall survive payment in full or defeasance of the Tax-Exempt Bonds.

(b) Build America Bonds. The County acknowledges and relies upon the fact that the District has represented and covenanted that it shall not take any action, or fail to take any action, or permit such action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or failure to take such action would adversely affect either the status of the Build America Bonds under Section 54AA of the Code or the credit allowed to the District or the County under Section 6431 of the Code.

(c) Qualified School Construction Bonds. The County acknowledges and relies upon the fact that the District has represented and covenanted that it shall not take any action, or fail to take any action, or permit such action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or failure to take such action would adversely affect either the status of the Qualified School Construction Bonds under Section 54F of the Code or the credit allowed under Section 54A of the Code with respect to

Qualified School Construction Bonds issued as tax credit bonds or the credit allowed to the District or the County under the Code, if any, with respect to Qualified School Construction Bonds issued as direct subsidy bonds.

(d) Clean Renewable Energy Bonds. The County acknowledges and relies upon the fact that the District has represented and covenanted that it shall not take any action, or fail to take any action, or permit such action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or failure to take such action would adversely affect either the status of the Clean Renewable Energy Bonds under Section 54C of the Code or the credit allowed under Section 54A of the Code, as adjusted by Section 54C(6) of the Code.

SECTION 17. Continuing Disclosure Certificate. The County acknowledges and relies upon the fact that the District has represented that it shall execute one or more Continuing Disclosure Certificates containing the initial covenants of the District as shall be necessary to allow the Underwriters to comply with the requirements of Rule 15c2-12, and that the District has covenanted that it will comply with and carry out all of the provisions of each of the Continuing Disclosure Certificates. The District shall function as or cause the appointment of a dissemination agent, who shall perform all duties and obligations of the Dissemination Agent as set forth in the Continuing Disclosure Certificates, and the County shall have no responsibilities either for compliance with the Continuing Disclosure Certificate or for the duties of the Dissemination Agent.

SECTION 18. Tax Credits Separation Certificate. The form of each Tax Credits Separation Certificate submitted to and on file with the Clerk of this Board of Supervisors providing for the execution, authentication and delivery of the Tax Credit Certificates is hereby approved. Any Authorized County Officer is hereby authorized and directed on behalf of the County to execute and deliver one or more Tax Credits Separation Certificates with respect to the Qualified School Construction Bonds issued as tax credit bonds and Clean Renewable Energy Bonds in substantially the forms submitted to and on file with the Clerk of the Board of Supervisors, with such changes therein, including as may be made in connection with the issuance or sale of separate tax credits associated with certain Qualified School Construction Bonds and Clean Renewable Energy Bonds, as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 19. Bond Insurance. The Underwriter or the Financial Advisor, in cooperation with the County Treasurer and the District, is hereby authorized to solicit proposals from one or more municipal bond insurers, and, if the County Treasurer and the District determine it is in the best interest of the District, to arrange for the issuance of a policy of municipal bond insurance for one or more maturities of the Bonds and to execute and deliver an insurance commitment and all other documents necessary in connection therewith.

SECTION 20. Limited Responsibility for Official Statement. Neither the Board of Supervisors nor any officer of the County has prepared or reviewed or will prepare or review any Official Statements of the District describing the Bonds (the "Official Statements"), and this Board of Supervisors and the various officers of the County take no responsibility for the contents or distribution thereof.

SECTION 21. Supplemental Resolutions With Consent of Owners. This County Resolution, and the rights and obligations of the County, the District and of the Owners of the Bonds issued hereunder, may be modified or amended at any time by a Supplemental Resolution adopted by the County, upon the request of the District, with the written consent of Owners owning at least 60% in aggregate principal amount of the Outstanding Bonds of the affected series or subseries, exclusive of Bonds, if any, owned by the County or the District; provided, however, that no such modification or amendment shall, without the express consent of the Owner of each Bond affected, reduce the principal amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date thereof, extend its maturity or the times for paying interest thereon, change the monetary medium in which principal and interest is payable or adversely affect the Tax Credits, nor shall any modification or amendment reduce the percentage of consents required for amendment or modification. In the event that the ownership of the Tax Credit Certificates of a Qualified School Construction Bond or Clean Renewable Energy Bond has been separated from the ownership of the Principal Strip Certificates related thereto or the ownership of the Cash Interest Certificates of an Interest Bearing Bond have been separated from the ownership of the Principal Strip Certificates related thereto, the determination of the ownership percentages shall be determined in accordance with the related Tax Credits Separation Certificate. No such Supplemental Resolution shall change or modify any of the rights or obligations of any Paying Agent without its written assent thereto. Notwithstanding anything herein to the contrary, no such consent shall be required if the Owners are not directly and materially adversely affected by such amendment or modification.

SECTION 22. Supplemental Resolutions Effective Without Consent of Owners. For any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution of the County may be adopted, which, without the requirement of consent of the Owners, shall be fully effective in accordance with its terms:

(a) To add to the covenants and agreements of the County or the District in this County Resolution, other covenants and agreements to be observed by the County or the District which are not contrary to or inconsistent with this County Resolution as theretofore in effect;

(b) To add to the limitations and restrictions in this County Resolution, other limitations and restrictions to be observed by the County or the District which are not contrary to or inconsistent with this County Resolution as theretofore in effect;

(c) To confirm as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by this County Resolution, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this County Resolution;

(d) To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in this County Resolution; or

(e) To amend or supplement this County Resolution in any other respect, provided such Supplemental Resolution does not, in the opinion of nationally-recognized bond counsel, materially adversely affect the interests of the Owners.

SECTION 23. Effect of Supplemental Resolution. Any act done pursuant to a modification or amendment so consented to shall be binding upon the Owners of all the Bonds

and shall not be deemed an infringement of any of the provisions hereof, whatever the character of such act may be, and may be done and performed as fully and freely as if expressly permitted by the terms hereof, and after consent relating to such specified matters has been given, no Owner shall have any right or interest to object to such action or in any manner to question the propriety thereof or to enjoin or restrain the County or the District or any officer of either from taking any action pursuant thereto.

SECTION 24. Approval of Actions; Further Actions. The Authorized County Officer, the Chair of this Board of Supervisors, the Executive Officer-Clerk of this Board of Supervisors, the County Auditor-Controller, the County Counsel, and the County Treasurer and the deputies and designees of any of them, are hereby authorized and directed to execute and deliver any and all certificates, representations and agreements, as may be acceptable to County Counsel, including but not limited to signature certificates, no-litigation certificates, and other certificates proposed to be distributed in connection with each sale of Bonds, necessary and desirable to accomplish the transactions authorized herein. The Authorized County Officer, the Chair of this Board of Supervisors, the Executive Officer-Clerk of this Board of Supervisors, the County Auditor-Controller, the County Counsel, and the County Treasurer and the deputies and designees of any of them shall be and each of them is hereby authorized, empowered and directed to execute such other documents and take such other actions as they deem necessary or advisable, as may be acceptable to County Counsel, to carry out and perform the purposes of this County Resolution, the Bond Purchase Agreements, the Notice Inviting Proposals or the related Tax Credits Separation Certificate.

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SECTION 25. **Effective Date.** This County Resolution shall take effect from and after its adoption.

The foregoing Resolution was on the 2nd day of February, 2010, adopted by the Board of Supervisors of the County of Los Angeles and *ex officio* the governing body of all other special assessment and taxing districts, agencies and authorities for which the Board so acts.

SACHI A. HAMAI, Executive Officer-Clerk of the Board of Supervisors of the County of Los Angeles.

By: Sachelle Smitheman
Deputy

APPROVED AS TO FORM:
ROBERT E. KALUNIAN
Acting County Counsel

By: Jimmy O'Donoghue
Principal Deputy County Counsel



This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, subseries, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$_____, and designated as the “Los Angeles Unified School District _____” (the “Bonds”). The Bonds are issued and sold by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to the provisions of the Constitution and laws of the State and of a resolution (the “County Resolution”) adopted by the Board of Supervisors of the County on_____, 2010.

The Current Interest Bonds (as defined in the County Resolution) of this issue are issuable only as fully registered bonds in the denominations of \$5,000 principal amount or any integral multiple thereof. This bond is exchangeable and transferable as provided in the County Resolution.

The Bonds shall be subject to redemption as provided in the County Resolution and the [Bond Purchase Agreement] [Notice Inviting Proposals], dated _____, 2010 (the “[Bond Purchase Agreement] [Notice Inviting Proposals]”) by and among the District, the County and the underwriters named therein.

The District, the County and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

All acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in accordance with the laws authorizing the issuance of this bond. This bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. This bond represents an obligation of the District payable out of the applicable Interest and Sinking Fund (as defined in the County Resolution), and the money for the payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

Reference is hereby made to the County Resolution and the District Resolution adopted by the District’s Board of Education on January 12, 2010 (the “District Resolution”) and the [Bond Purchase Agreement] [Notice Inviting Proposals] for a description of the terms of the Bonds and the rights of the Owners of the Bonds. The terms of the County Resolution, the District Resolution and the [Bond Purchase Agreement] [Notice Inviting Proposals] are hereby incorporated herein.

This bond shall not be entitled to any benefit under the County Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF the County of Los Angeles has caused this bond to be executed on behalf of the District and in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

Chair of the Board of Supervisors

[SEAL]

Treasurer and Tax Collector

Countersigned:

Executive Officer-Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within-mentioned County Resolution and authenticated and registered on _____, 200_.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee:

Notice: Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT B

[FORM OF CAPITAL APPRECIATION BOND]

Number UNITED STATES OF AMERICA Maturity Value
R-____ STATE OF CALIFORNIA \$_____
COUNTY OF LOS ANGELES

[LOS ANGELES UNIFIED SCHOOL DISTRICT

_____]

Maturity Date Dated CUSIP NO.
_____, 1, _____

Registered Owner: CEDE & CO.

Initial Principal Amount: _____ DOLLARS

Maturity Value: _____ DOLLARS

Los Angeles Unified School District, County of Los Angeles, State of California (herein called the "District"), acknowledges itself obligated to and promises to pay to the person whose name appears on the bond registration books (the "Registration Books") of the Paying Agent as the registered owner (the "Registered Owner") identified above or registered assigns, on the Maturity Date set forth above or upon prior redemption hereof, the accreted value hereof on such date in lawful money of the United States of America, consisting of the initial principal amount hereof plus interest accreted thereon (in accordance with the County Resolution hereinafter defined and as reflected in the Table of Accreted Values attached hereto; provided, that any accreted value determined in accordance with the County Resolution shall prevail over any accreted values set forth in the Table of Accreted Values attached hereto) and accumulated from the date hereof to such date, compounded on January 1 and July 1 of each year commencing _____, 20__, assuming in any such semiannual period that this bond shall increase in value by the accumulation of earned interest in equal daily amounts on the basis of a 360-day year of twelve 30-day months, until the obligation represented hereby shall have been discharged, as provided in the County Resolution hereinafter defined upon the surrender hereof at the principal corporate trust office of U.S. Bank National Association as agent for the Treasurer and Tax Collector of the County of Los Angeles (the "County"), as Paying Agent (collectively referenced herein as the "Paying Agent"), the paying agent/registrar and transfer agent of the County.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, subseries, numbers,

denominations, accreted values at maturity, maturities and redemption provisions), amounting in the aggregate to \$_____, and designated as the “Los Angeles Unified School District General Obligation Bonds (County of Los Angeles), _____” (the “Bonds”). The Bonds are issued by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to the provisions of the Constitution and laws of the State and of a resolution (the “County Resolution”) adopted by the Board of Supervisors of the County on _____, 2010.

The Capital Appreciation Bonds (as defined in the County Resolution) of this issue are issuable only as fully registered bonds without coupons in the denominations of \$5,000 accreted value at the Maturity Value or any integral multiple thereof, except that the first numbered Bond may be issued in a denomination such that the Maturity Value of such Bond shall not be in an integral multiple of \$5,000. This bond is exchangeable and transferable as provided in the County Resolution

The Bonds shall be subject to redemption as provided in the County Resolution and the [Bond Purchase Agreement] [Notice Inviting Proposals] dated _____, 2010 (the “[Bond Purchase Agreement] [Notice Inviting Proposals]”) by and among the District, the County and the underwriters named therein.

The District, the County and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

All acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in accordance with the laws authorizing the issuance of this bond. This bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. This bond represents an obligation of the District payable out of the applicable Interest and Sinking Fund (as defined in the County Resolution), and the money for the payment of the Maturity Value of this bond (or redemption price hereof upon redemption prior to maturity), shall be raised by taxation upon the taxable property of the District.

Reference is hereby made to the County Resolution and the District Resolution adopted by the District’s Board of Education on January 12, 2010 (the “District Resolution”) and the [Bond Purchase Agreement] [Notice Inviting Proposals] for a description of the terms of the Bonds and the rights of the Owners of the Bonds. The terms of the County Resolution, the District Resolution and the [Bond Purchase Agreement] [Notice Inviting Proposals] are hereby incorporated herein.

This bond shall not be entitled to any benefit under the County Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF the County of Los Angeles has caused this bond to be executed on behalf of the District and in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

Chair of the Board of Supervisors

[SEAL]

Treasurer and Tax Collector

Countersigned:

Executive Officer-Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within-mentioned County Resolution and authenticated and registered on _____, 200_.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee:

Notice: Signature must be guaranteed by an eligible guarantor institution.

[TABLE OF ACCRETED VALUES]

EXHIBIT C

[FORM OF CONVERTIBLE CAPITAL APPRECIATION BOND]

Number UNITED STATES OF AMERICA Conversion Value
R-___ STATE OF CALIFORNIA \$_____
COUNTY OF LOS ANGELES

[LOS ANGELES UNIFIED SCHOOL DISTRICT

_____]

Maturity Date	Conversion Date	Interest Rate After Conversion Date	Dated	CUSIP NO.
_____ 1, _____	_____ 1, _____	_____	_____ 1, _____	_____

Registered Owner: CEDE & CO.

Initial Principal Amount: _____ DOLLARS

Conversion Value: _____ DOLLARS

Los Angeles Unified School District, County of Los Angeles, State of California (herein called the "District"), acknowledges itself obligated to and promises to pay to the person whose name appears on the bond registration books (the "Registration Books") of the Paying Agent as the registered owner (the "Registered Owner") identified above or registered assigns, on the maturity date set forth above or upon prior redemption hereof, the accreted value hereof on such date, consisting of the initial principal amount hereof plus interest accreted thereon (in accordance with the County Resolution hereinafter defined and as reflected in the Table of Accreted Values attached hereto; provided, that any accreted value determined in accordance with the County Resolution shall prevail over any accreted values set forth in the Table of Accreted Values attached hereto), commencing on the date hereof, compounded on January 1 and July 1 of each year commencing _____, 20__, assuming in any such semiannual period that this bond shall increase in value by the accumulation of earned interest in equal daily amounts on the basis of a 360-day year of twelve 30-day months, until the Conversion Date set forth above in lawful money of the United States of America, and from and after the Conversion Date to pay current interest on said Conversion Value in like lawful money from the Interest Payment Date (defined herein) next preceding the date of authentication of this bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any Interest Payment Date to such Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated on or before _____ 15, _____, in which event it shall bear interest from the Conversion Date) at the interest rate per annum stated above, payable commencing on January 1 or July 1

following the Conversion Date, and thereafter on January 1 and July 1 in each year (each, an “Interest Payment Date”), until payment of said Conversion Value.

The accreted value hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office of U.S. Bank National Association as agent for the Treasurer and Tax Collector of the County of Los Angeles (the “County”), as Paying Agent (collectively referenced herein as the “Paying Agent”), the paying agent/registrar and transfer agent of the County. The interest hereon is payable to the Registered Owner hereof as of the close of business on the 15th day of the month preceding an Interest Payment Date (the “Record Date”), whether or not such day is a business day, such interest to be paid by check mailed to such Registered Owner at the owner’s address as it appears on such Registration Books, or at such other address filed with the Paying Agent for that purpose.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$ _____ principal amount, and designated as the “Los Angeles Unified School District _____” (the “Bonds”). The Bonds are issued by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to the provisions of the Constitution and laws of the State and of a resolution (the “County Resolution”) adopted by the Board of Supervisors of the County on _____, 2010.

The Convertible Capital Appreciation Bonds (as defined in the County Resolution) of this issue are issuable only as fully registered bonds without coupons in the denominations of \$5,000 accreted value at the Conversion Date or any integral multiple thereof. This bond is exchangeable and transferable as provided in the County Resolution.

The Bonds shall be subject to redemption as provided in the County Resolution and the [Bond Purchase Agreement] [Notice Inviting Proposals] dated _____, 2010 (the “[Bond Purchase Agreement] [Notice Inviting Proposals]”) by and among the District, the County and the underwriters named therein.

The District, the County and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

All acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in accordance with the laws authorizing the issuance of this bond. This bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. This bond represents an obligation of the District payable out of the applicable Interest and Sinking Fund (as defined in the County Resolution), and the money for the payment of the maturity value of this bond (or redemption price hereof upon redemption prior to maturity), shall be raised by taxation upon the taxable property of the District.

Reference is hereby made to the County Resolution and the District Resolution adopted by the District’s Board of Education on January 12, 2010 (the “District Resolution”) and the

[Bond Purchase Agreement] [Notice Inviting Proposals] for a description of the terms of the Bonds and the rights of the Owners of the Bonds. The terms of the County Resolution, the District Resolution and the [Bond Purchase Agreement] [Notice Inviting Proposals] are hereby incorporated herein.

This bond shall not be entitled to any benefit under the County Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF the County of Los Angeles has caused this bond to be executed on behalf of the District and in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

Chair of the Board of Supervisors

[SEAL]

Treasurer and Tax Collector

Countersigned:

Executive Officer-Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within-mentioned County Resolution and authenticated and registered on _____, 200_.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee:

Notice: Signature must be guaranteed by an eligible guarantor institution.

[TABLE OF ACCRETED VALUES]

amended (the “Code”) and includes a principal component (the “Principal Component”) and a component relating to the entitlement, pursuant to the program for allocating tax credits and authorizing the issuance of qualified school construction bonds promulgated under Sections 54A and 54F of the Code, of a taxpayer to recognize a credit (the “Tax Credit) against the tax imposed by Chapter 1 of the Code (the “Tax Credit Component”).

So long as the ownership of the Principal Component and the Tax Credit Component of this bond has not been separated from this bond, the owner of this bond may be eligible to receive tax credits determined based on the Tax Credit Rate set forth above in accordance with Section 54A of the Code as described in the Tax Credits Separation Certificate dated _____, 2010 executed by the District and the County (the “Tax Credits Separation Certificate”).

Pursuant to the County Resolution and the Tax Credits Separation Certificate at the option of an Owner of a Qualified School Construction Bond (defined herein), the ownership of the Principal Component and the Tax Credit Component may be separated or “stripped” from such Qualified School Construction Bond. Upon any such separation, the Principal Component and the Tax Credit Component will be evidenced by principal strip certificates (the “Principal Strip Certificates”) and tax credit certificates (the “Tax Credit Certificates”), each of which will be separately registered by the Paying Agent. The Owner of the Principal Strip Certificates will be entitled to the interest payments of the Supplemental Coupon related thereto. In addition, the Owner of a Principal Strip Certificate and the requisite number of Tax Credit Certificates may recombine such Principal Strip Certificate and Tax Credit Certificates into unstripped Qualified School Construction Bonds in accordance with the Tax Credits Separation Certificate.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$_____, and designated as the “Los Angeles Unified School District General Obligation Bonds (County of Los Angeles), Election of 200_, Series _ (2010) Qualified School Construction Bonds (Tax Credit Bonds)” (the “Qualified School Construction Bonds”). The Qualified School Construction Bonds are issued by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to the provisions of the Constitution and laws of the State, a resolution of the District (the “District Resolution”) adopted by the Board of Education of the District on January 12, 2010, a resolution (the “County Resolution”) adopted by the Board of Supervisors of the County on _____, 2010 and the Tax Credits Separation Certificate.

Payments of principal of and interest on the Qualified School Construction Bonds shall be payable as set forth in the County Resolution and the [Bond Purchase Agreement] [Notice Inviting Proposals] (defined herein).

The Qualified School Construction Bonds of this issue are issuable only as fully registered bonds without coupons and in the denominations of \$40,000 principal amount or any integral multiple thereof. This bond is exchangeable and transferable as provided in the County Resolution and the Tax Credits Separation Certificate.

The Qualified School Construction Bonds shall be subject to redemption as provided in the County Resolution, the Tax Credits Separation Certificate and the [Bond Purchase Agreement] [Notice Inviting Proposals], dated _____, 2010 (the “[Bond Purchase Agreement] [Notice Inviting Proposals]”) by and among the District, the County and the underwriters named therein. In the event that the ownership of the Principal Strip Certificates or Tax Credit Certificates has been separated from the ownership of the Qualified School Construction Bonds and registered separately pursuant to the Tax Credits Separation Certificate, the Principal Strip Certificates and Tax Credit Certificates related to the redeemed Qualified School Construction Bonds shall be called for redemption in the same manner as the Qualified School Construction Bonds, and the redemption price shall be allocated to the Principal Strip Certificates and Tax Credit Certificates in the proportions set forth in the Table of Allocable Values attached hereto as Schedule I.

Pursuant to the County Resolution and the Tax Credits Separation Certificate, the Qualified School Construction Bonds may be converted, in whole or in part, into Interest Bearing Bonds requiring the District to make cash payments of interest thereon to the Owners thereof as provided and in accordance with the terms of the Tax Credits Separation Certificate.

The District, the County and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Qualified School Construction Bond shall be overdue, and shall not be affected by any notice to the contrary.

All acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in accordance with the laws authorizing the issuance of this bond. This bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. This bond represents an obligation of the District payable out of the applicable Interest and Sinking Fund (as defined in the County Resolution), and the money for the payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

Reference is hereby made to the County Resolution, the District Resolution, the Tax Credits Separation Certificate and the [Bond Purchase Agreement] [Notice Inviting Proposals] for a description of the terms of the Qualified School Construction Bonds and the rights of the Owners of the Qualified School Construction Bonds. The terms of the County Resolution, the District Resolution, Tax Credits Separation Certificate and the [Bond Purchase Agreement] [Notice Inviting Proposals] are hereby incorporated herein. Capitalized terms used and not defined herein have the meanings ascribed thereto in the County Resolution.

This bond shall not be entitled to any benefit under the County Resolution, the District Resolution or the Tax Credits Separation Certificate, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF the County of Los Angeles has caused this bond to be executed on behalf of the District and in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

Chair of the Board of Supervisors

[SEAL]

Treasurer and Tax Collector

Countersigned:

Executive Officer-Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within-mentioned County Resolution and authenticated and registered on _____, 2010.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee:

Notice: Signature must be guaranteed by an eligible guarantor institution.

SCHEDULE I
TABLE OF ALLOCABLE VALUES

APPENDIX I

Certificate Number	UNITED STATES OF AMERICA	Tax Credit Amount
TC-__	STATE OF CALIFORNIA	\$ _____
	COUNTY OF LOS ANGELES	

CERTIFICATE EVIDENCING TAX CREDIT ENTITLEMENT

related to the

[LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 200_, SERIES _ (200_)]

QUALIFIED SCHOOL CONSTRUCTION BOND
(TAX CREDIT BOND)

<u>Sale Date of Related Bonds</u>	<u>Issuance Date of Related Bonds</u>	<u>Maturity Date of Related Bonds</u>	<u>Applicable Tax Credit Rate</u>	<u>Tax Credit Allowance Date</u>
---------------------------------------	---	---	---------------------------------------	--------------------------------------

<u>CUSIP NO. of (if stripped from Related Bonds)</u>	<u>CUSIP NO. of Related Bonds</u>
--	---------------------------------------

Dated:

Registered Owner: CEDE & CO.

Notional Amount: _____ DOLLARS

This certificate evidences the entitlement of the Registered Owner identified above or registered assigns (the "Registered Owner") to the credit (the "Tax Credit") to be provided on the Tax Credit Allowance Date specified above, under Section 54A of the Internal Revenue Code of 1986, as amended (the "Code"), against the tax imposed by Chapter 1 of the Code ("Chapter 1"), with respect to the related component part of the bonds designated as the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (20_) Qualified School Construction Bonds (Tax Credit Bonds) relating to the Tax Credit (the "Related Bonds"), the aggregate amount of which have been designated as qualified school construction bonds pursuant to Section 54F of the Code by the Los Angeles Unified School District, County of Los Angeles, State of California (the "District") and the County of Los Angeles, California (the "County", and together with the District, the "Issuer"). This certificate evidences the Tax Credit Component (defined herein) of the Related Bonds on the above-referenced Tax Credit Allowance Date and the obligation of the District to maintain the status of the Related Bonds as qualified school construction bonds under the Code.

The holder hereof shall be allowed a credit against the tax imposed by Chapter 1 in an amount equal to twenty-five percent (25%) of the annual credit determined with respect to the Related Bonds, being the product of: (a) the applicable tax credit rate set forth above (the "Applicable Rate"), and (b) the outstanding face amount of the Related Bonds (the "Notional Amount"); provided, however, that the amount for _____, 2010 of this Tax Credit shall be pro rated by the number of days from the date of initial issuance and delivery to such date in accordance with the Code. A similar rule of pro ration shall apply upon the redemption or the maturity, if applicable, of this Tax Credit.

This certificate is executed and delivered as a component part of the Related Bonds and, together with other similar certificates relating to the Related Bonds, designated as "Certificates Evidencing Tax Credit Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (2010) Qualified School Construction Bonds (Tax Credit Bonds)" (the "Tax Credit Certificates"). The Related Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November __, 20___. The Tax Credit Certificate is executed and delivered by the Board of Supervisors of the County and the Board of Education of the District pursuant to and in accordance with the provisions of the Constitution and laws of the State, a resolution (the "County Resolution") adopted by the Board of Supervisors of the County on _____, 2010, a resolution (the "District Resolution") adopted by the Board of Education of the District on January 12, 2010, the terms set forth in the [Bond Purchase Agreement] [Notice Inviting Proposals], dated _____, 2010 (the "[Bond Purchase Agreement] [Notice Inviting Proposals]") by and among the District, the County and the underwriters named therein and the Tax Credits Separation Certificate (as defined in the County Resolution) as provided in the County Resolution. Reference is hereby made to the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate for a description of the terms on which the Tax Credit Certificates are executed and delivered, for the rights of the Owners of the Tax Credit Certificates, and for the amendment of the Tax Credits Separation Certificate (with or without consent of the Owners of the Tax Credit Certificates and the Related Bonds); and all the terms of the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate are hereby incorporated herein and constitute a contract among the County, the District and the Registered Owner of this certificate, to all the provisions of which the Registered Owner of this certificate, by acceptance hereof, agrees and consents. Capitalized undefined terms used herein have the meanings ascribed thereto in the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate, as applicable.

The Tax Credit Certificates are subject to registration, transfer and exchange as provided in and subject to the terms and provisions of the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate.

The Related Bonds are subject to redemption as provided in the County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate. In the event of a mandatory redemption of Qualified School Construction Bonds from unexpended Bond Proceeds and in the event that Qualified School Construction Bonds

have been exchanged for Principal Strip Certificates and Tax Credit Certificates (in whole or in part) and registered separately pursuant to the Tax Credits Separation Certificate, the amount of unexpended Bond Proceeds shall be allocated, as nearly as reasonably possible, pro rata between (i) Qualified School Construction Bonds and (ii) an amount of (a) Principal Strip Certificates and (b) Tax Credit Certificates that would relate to such principal amount of Principal Strip Certificates, based upon the relative par amounts of the outstanding Qualified School Construction Bonds and the outstanding Principal Strip Certificates. Any Principal Strip Certificates and Tax Credit Certificates to be so redeemed shall also be called for redemption on the same terms and conditions and in the same manner as the Qualified School Construction Bonds pursuant to the County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate, and the price for redemption to be paid by the District and used to redeem Principal Strip Certificates and Tax Credit Certificates so redeemed shall be allocated to the Qualified School Construction Bonds, Principal Strip Certificates and the Tax Credit Certificates in the proportions and values set forth in the Table of Allocable Values attached hereto as Schedule I.

Pursuant to the County Resolution and the Tax Credits Separation Certificate, the Tax Credit Certificates may be converted, in whole or in part, into Cash Interest Certificates requiring the District to make cash payments of interest thereon to the Owners thereof as provided and in accordance with the terms of the Tax Credits Separation Certificate.

Payments of interest on the Cash Interest Certificates shall be payable as set forth in the County Resolution and the Tax Credits Separation Certificate.

All acts, conditions and things required by law to be done or performed precedent to and in the execution and delivery of this Tax Credit Certificate have been done and performed in accordance with the laws authorizing the execution and delivery of this Tax Credit Certificate. This Tax Credit Certificate is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes.

This Certificate shall not be entitled to any benefit or be valid for any purpose unless signed by manual or facsimile signature of an authorized signatory of the County and an authorized signatory of the District and authenticated by the manual signature of a duly authorized officer of the Paying Agent.

IN WITNESS WHEREOF the Los Angeles Unified School District has caused this certificate to be executed in his/her official capacity by the manual or facsimile signature of an Authorized Officer of the District and countersigned by the manual or facsimile signature of the Executive Officer-Board of Education and the County of Los Angeles has caused this certificate to be executed in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

Chair of the Board of Supervisors

[SEAL]

Treasurer and Tax Collector

Countersigned:

Executive Officer-Clerk of the Board of Supervisors

LOS ANGELES UNIFIED SCHOOL DISTRICT

Authorized District Officer

Countersigned:

Executive Officer, Board of Education

**PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This is one of the Certificates Evidencing Tax Credit Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series __ (2010) Qualified School Construction Bonds (Tax Credit Bonds) described in the within-mentioned County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] dated _____, 2010 by and among the County of Los Angeles, the Los Angeles Unified School District and the underwriters named therein and the Tax Credits Separation Certificate dated _____, 2010 executed by the Los Angeles Unified School District and the County of Los Angeles and authenticated and registered on _____.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

SCHEDULE I
TABLE OF ALLOCABLE VALUES

Certificate Number
TC-__

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Principal Component Amount
\$_____

CERTIFICATE EVIDENCING PRINCIPAL COMPONENT ENTITLEMENT

related to the

[LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 200_, SERIES _ (200_)]

QUALIFIED SCHOOL CONSTRUCTION BOND
(TAX CREDIT BOND)

<u>Sale Date of Related Bonds</u>	<u>Issuance Date of Related Bonds</u>	<u>Maturity Date of Related Bonds</u>	<u>Interest Rate</u>
---------------------------------------	---	---	--------------------------

<u>CUSIP NO. of (if stripped from Related Bonds)</u>	<u>CUSIP NO. of Related Bonds</u>
--	---------------------------------------

Dated:

Registered Owner: CEDE & CO.

Principal Component Amount: _____ DOLLARS

This certificate evidences the entitlement of the Registered Owner identified above or registered assigns (the "Registered Owner") to the principal component specified above (the "Principal Component") and the interest thereon as described herein, with respect to a component part of the bonds designated as the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series __ (20__) Qualified School Construction Bonds (Tax Credit Bonds) relating to the Principal Component (the "Related Bonds"), the aggregate amount of which have been designated as qualified school construction bonds pursuant to Section 54F of the Internal Revenue Code of 1986, as amended (the "Code") by the Los Angeles Unified School District, County of Los Angeles, State of California (the "District") and the County of Los Angeles, California (the "County", and together with the District, the "Issuer"). This certificate evidences the Principal Component of the Related Bonds.

This certificate is executed and delivered as a component part of the Related Bonds and, together with other similar certificates relating to the Related Bonds, designated as “Certificates Evidencing Principal Component related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series __ (20__) Qualified School Construction Bonds (Tax Credit Bonds)” (the “Principal Strip Certificates”). The Related Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November __, 20__. The Principal Strip Certificate is executed and delivered by the Board of Supervisors of the County and the Board of Education of the District pursuant to and in accordance with the provisions of the Constitution and laws of the State and a resolution (the “County Resolution”) adopted by the Board of Supervisors of the County on _____, 2010, a resolution (the “District Resolution”) adopted by the Board of Education of the District on January 12, 2010, the terms set forth in the [Bond Purchase Agreement] [Notice Inviting Proposals], dated _____, 2010 (the “[Bond Purchase Agreement] [Notice Inviting Proposals]”) by and among the District, the County and the underwriters named therein and the Tax Credits Separation Certificate (as defined in the County Resolution) as provided in the County Resolution. Reference is hereby made to the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate for a description of the terms on which the Principal Strip Certificates are executed and delivered, for the rights of the Owners of the Principal Strip Certificates, and for the amendment of the Tax Credits Separation Certificate (with or without consent of the Owners of the Principal Strip Certificates and the Related Bonds); and all the terms of the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate are hereby incorporated herein and constitute a contract among the County, the District and the Registered Owner of this certificate, to all the provisions of which the Registered Owner of this certificate, by acceptance hereof, agrees and consents. Capitalized undefined terms used herein have the meanings ascribed thereto in the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate, as applicable.

The District promises to pay to the person whose name appears on the bond registration books (the “Registration Books”) of the Paying Agent as the registered owner (the “Registered Owner”) identified above or registered assigns, on the maturity date set forth above or upon prior redemption hereof, the Principal Component Amount specified above in lawful money of the United States of America, and to pay interest thereon (the “Supplemental Coupon”) in like lawful money from the Interest Payment Date (defined herein) next preceding the date of authentication of this bond, unless this bond is authenticated during the period after the close of business on the Record Date (defined herein) immediately preceding any Interest Payment Date to and including such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated on or before _____, 2010, in which event interest thereon shall be payable from the date hereof) at the interest rate per annum stated above, payable commencing on _____, 2010, and thereafter on each March 15, June 15, September 15 and December 15 in each year (each, an “Interest Payment Date”), until payment of the Principal Component Amount.

Payments of principal of and interest on this Principal Strip Certificate shall be payable as set forth in the County Resolution and the Tax Credits Separation Certificate.

The Principal Strip Certificates are subject to registration, transfer and exchange as provided in and subject to the terms and provisions of the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate.

Pursuant to the County Resolution and the Tax Credits Separation Certificate, the Principal Strip Certificates relating to the Related Bonds may be exchanged for Principal Strip Certificates relating to Interest Bearing Bonds in the event the Related Bonds are converted, in whole or in part, into Interest Bearing Bonds requiring the District to make cash payments of interest thereon to the Owners thereof as provided and in accordance with the terms of the Tax Credits Separation Certificate.

The Related Bonds are subject to redemption as provided in the County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate. In the event of a mandatory redemption of Qualified School Construction Bonds from unexpended Bond Proceeds and in the event that Qualified School Construction Bonds have been exchanged for Principal Strip Certificates and Tax Credit Certificates (in whole or in part) and registered separately pursuant to the Tax Credits Separation Certificate, the amount of unexpended Bond Proceeds shall be allocated, as nearly as reasonably possible, *pro rata* between (i) Qualified School Construction Bonds and (ii) an amount of (a) Principal Strip Certificates and (b) Tax Credit Certificates that would relate to such principal amount of Principal Strip Certificates, based upon the relative par amounts of the outstanding Qualified School Construction Bonds and the outstanding Principal Strip Certificates. Any Principal Strip Certificates and Tax Credit Certificates to be so redeemed shall also be called for redemption on the same terms and conditions and in the same manner as the Qualified School Construction Bonds pursuant to the County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate and the price for redemption to be paid by the District and used to redeem Principal Strip Certificates and Tax Credit Certificates so redeemed shall be allocated to the Qualified School Construction Bonds, Principal Strip Certificates and the Tax Credit Certificates in the proportions and values set forth in the Table of Allocable Values attached hereto as Schedule I.

All acts, conditions and things required by law to be done or performed precedent to and in the execution and delivery of this Principal Strip Certificate have been done and performed in accordance with the laws authorizing the execution and delivery of this Principal Strip Certificate. This Principal Strip Certificate is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes.

This Certificate shall not be entitled to any benefit or be valid for any purpose unless signed by manual or facsimile signature of an authorized signatory of the County and an authorized signatory of the District and authenticated by the manual signature of a duly authorized officer of the Paying Agent.

IN WITNESS WHEREOF the Los Angeles Unified School District has caused this certificate to be executed in his/her official capacity by the manual or facsimile signature of an Authorized Officer of the District and countersigned by the manual or facsimile signature of the Executive Officer-Board of Education and the County of Los Angeles has caused this certificate to be executed in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

Chair of the Board of Supervisors

[SEAL]

Treasurer and Tax Collector

Countersigned:

Executive Officer-Clerk of the Board of Supervisors

LOS ANGELES UNIFIED SCHOOL DISTRICT

Authorized District Officer

Countersigned:

Executive Officer, Board of Education

**PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This is one of the Certificates Evidencing Principal Component Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200__, Series _ (2010) Qualified School Construction Bonds (Tax Credit Bonds) within-mentioned County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] dated _____, 2010 by and among the County of Los Angeles, the Los Angeles Unified School District and the underwriters named therein and the Tax Credits Separation Certificate dated _____, 2010 executed by the Los Angeles Unified School District and the County of Los Angeles and authenticated and registered on _____.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

SCHEDULE I
TABLE OF ALLOCABLE VALUES

EXHIBIT E

[FORM OF QUALIFIED SCHOOL CONSTRUCTION BOND]

Number UNITED STATES OF AMERICA Principal Sum
R-____ STATE OF CALIFORNIA \$ _____
COUNTY OF LOS ANGELES

[LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 200_, SERIES _ (200_)]

QUALIFIED SCHOOL CONSTRUCTION BOND
(DIRECT SUBSIDY BOND)

THE LOS ANGELES UNIFIED SCHOOL DISTRICT AND THE COUNTY OF LOS ANGELES, CALIFORNIA HAVE DESIGNATED THIS BOND AS A QUALIFIED SCHOOL CONSTRUCTION BOND WITHIN THE MEANING OF SECTION 54F OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED.

 Maturity Date Interest Rate Dated CUSIP NO.

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

Los Angeles Unified School District, County of Los Angeles, State of California (herein called the "District"), acknowledges itself obligated to and promises to pay to the person whose name appears on the bond registration books (the "Registration Books") of the Paying Agent as the registered owner (the "Registered Owner") identified above or registered assigns, on the Maturity Date set forth above or upon prior redemption hereof, the Principal Sum specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (defined herein) next preceding the date of authentication of this bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any Interest Payment Date to such Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated on or before _____ 15, _____, in which event it shall bear interest from the date hereof) at the interest rate per annum stated above, payable commencing on _____ 1, _____, and thereafter on _____ 1 and _____ 1 in each year (each, an "Interest Payment Date"), until payment of the Principal Sum hereof. This bond is a direct subsidy bond

issued as a “qualified school construction bond” as defined in Section 54F of the Internal Revenue Code of 1986, as amended (the “Code”).

The principal hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office of U.S. Bank National Association as agent for the Treasurer and Tax Collector of the County of Los Angeles (the “County”), as Paying Agent (collectively referenced herein as the “Paying Agent”), the paying agent/registrar and transfer agent of the County. The interest hereon is payable to the Registered Owner hereof as of the close of business on the 15th day of the month preceding an Interest Payment Date (the “Record Date”), whether or not such day is a business day, such interest to be paid by check mailed to such Registered Owner at the Owner’s address as it appears on such Registration Books, or at such other address filed with the Paying Agent for that purpose.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$_____, and designated as the “Los Angeles Unified School District General Obligation Bonds (County of Los Angeles), Election of 200_, Series __(200_) (Qualified School Construction Bonds – Direct Subsidy Bonds” (the “Qualified School Construction Bonds”). The Qualified School Construction Bonds are issued by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to the provisions of the Constitution and laws of the State and of a resolution (the “County Resolution”) adopted by the Board of Supervisors of the County on _____, 2010.

The Qualified School Construction Bonds of this issue are issuable only as fully registered bonds in the denominations of \$5,000 principal amount or any integral multiple thereof. This bond is exchangeable and transferable as provided in the County Resolution.

The Qualified School Construction Bonds shall be subject to redemption as provided in the County Resolution and the [Bond Purchase Agreement] [Notice Inviting Proposals], dated _____, 2010 (the “[Bond Purchase Agreement] [Notice Inviting Proposals]”) by and among the District, the County and the underwriters named therein.

The District, the County and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this bond shall be overdue, and shall not be affected by any notice to the contrary.

All acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in accordance with the laws authorizing the issuance of this bond. This bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. This bond represents an obligation of the District payable out of the applicable Interest and Sinking Fund (as defined in the County Resolution), and the money for the payment of principal of, premium, if any, and interest, if any, hereon, shall be raised by taxation upon the taxable property of the District.

Reference is hereby made to the County Resolution and the District Resolution adopted by the District’s Board of Education on January 12, 2010 (the “District Resolution”), and [Bond

Purchase Agreement] [Notice Inviting Proposals] for a description of the terms of the Qualified School Construction Bonds and the rights of the Owners of the Qualified School Construction Bonds. The terms of the County Resolution, the District Resolution and the [Bond Purchase Agreement] [Notice Inviting Proposals] are hereby incorporated herein. Capitalized terms used and not defined herein have the meanings ascribed thereto in the County Resolution.

This bond shall not be entitled to any benefit under the County Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF the County of Los Angeles has caused this bond to be executed on behalf of the District and in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

Chair of the Board of Supervisors

[SEAL]

Treasurer and Tax Collector

Countersigned:

Executive Officer-Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Qualified School Construction Bonds described in the within-mentioned County Resolution and authenticated and registered on _____, 200_.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____
Signature Guarantee:

Notice: Signature must be guaranteed by an eligible guarantor institution.

amended (the “Code”) and includes a principal component (the “Principal Component”) and a component relating to the entitlement, pursuant to the program for allocating tax credits and authorizing the issuance of clean renewable energy bonds promulgated under Sections 54D and 54B of the Code, of a taxpayer to recognize a credit (the “Tax Credit) against the tax imposed by Chapter 1 of the Code (the “Tax Credit Component”).

So long as the ownership of the Principal Component and the Tax Credit Component of this bond has not been separated from this bond, the owner of this bond may be eligible to receive tax credits determined based on the Tax Credit Rate set forth above in accordance with Section 54A of the Code as described in the Tax Credits Separation Certificate dated _____, 2010 executed by the District and the County (the “Tax Credits Separation Certificate”).

Pursuant to the County Resolution and the Tax Credits Separation Certificate at the option of an Owner of a Clean Renewable Energy Bond (defined herein), the ownership of the Principal Component and the Tax Credit Component may be separated or “stripped” from such Clean Renewable Energy Bond. Upon any such separation, the Principal Component and the Tax Credit Component will be evidenced by principal strip certificates (the “Principal Strip Certificates”) and tax credit certificates (the “Tax Credit Certificates”), each of which will be separately registered by the Paying Agent. The Owner of the Principal Strip Certificates will be entitled to the interest payments of the Supplemental Coupon related thereto. In addition, the Owner of a Principal Strip Certificate and the requisite number of Tax Credit Certificates may recombine such Principal Strip Certificate and Tax Credit Certificates into unstripped Clean Renewable Energy Bonds in accordance with the Tax Credits Separation Certificate.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$_____, and designated as the “Los Angeles Unified School District General Obligation Bonds (County of Los Angeles), Election of 200_, Series _ (2010) Clean Renewable Energy Bonds (Tax Credit Bonds)” (the “Clean Renewable Energy Bonds”). The Clean Renewable Energy Bonds are issued by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to the provisions of the Constitution and laws of the State, a resolution of the District (the “District Resolution”) adopted by the Board of Education of the District on January 12, 2010, a resolution (the “County Resolution”) adopted by the Board of Supervisors of the County on _____, 2010 and the Tax Credits Separation Certificate.

Payments of principal of and interest on the Clean Renewable Energy Bonds shall be payable as set forth in the County Resolution and the [Bond Purchase Agreement] [Notice Inviting Proposals] (defined herein).

The Clean Renewable Energy Bonds of this issue are issuable only as fully registered bonds without coupons and in the denominations of \$40,000 principal amount or any integral multiple thereof. This bond is exchangeable and transferable as provided in the County Resolution and the Tax Credits Separation Certificate.

The Clean Renewable Energy Bonds shall be subject to redemption as provided in the County Resolution, the Tax Credits Separation Certificate and the [Bond Purchase Agreement] [Notice Inviting Proposals], dated _____, 2010 (the “[Bond Purchase Agreement] [Notice Inviting Proposals]”) by and among the District, the County and the underwriters named therein. In the event that the ownership of the Principal Strip Certificates or Tax Credit Certificates has been separated from the ownership of the Clean Renewable Energy Bonds and registered separately pursuant to the Tax Credits Separation Certificate, the Principal Strip Certificates and Tax Credit Certificates related to the redeemed Clean Renewable Energy Bonds shall be called for redemption in the same manner as the Clean Renewable Energy Bonds, and the redemption price shall be allocated to the Principal Strip Certificates and Tax Credit Certificates in the proportions set forth in the Table of Allocable Values attached hereto as Schedule I.

Pursuant to the County Resolution and the Tax Credits Separation Certificate, the Clean Renewable Energy Bonds may be converted, in whole or in part, into Interest Bearing Bonds requiring the District to make cash payments of interest thereon to the Owners thereof as provided and in accordance with the terms of the Tax Credits Separation Certificate.

The District, the County and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Clean Renewable Energy Bond shall be overdue, and shall not be affected by any notice to the contrary.

All acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in accordance with the laws authorizing the issuance of this bond. This bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. This bond represents an obligation of the District payable out of the applicable Interest and Sinking Fund (as defined in the County Resolution), and the money for the payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

Reference is hereby made to the County Resolution, the District Resolution, the Tax Credits Separation Certificate and the [Bond Purchase Agreement] [Notice Inviting Proposals] for a description of the terms of the Clean Renewable Energy Bonds and the rights of the Owners of the Clean Renewable Energy Bonds. The terms of the County Resolution, the District Resolution, Tax Credits Separation Certificate and the [Bond Purchase Agreement] [Notice Inviting Proposals] are hereby incorporated herein. Capitalized terms used and not defined herein have the meanings ascribed thereto in the County Resolution.

This bond shall not be entitled to any benefit under the County Resolution, the District Resolution or the Tax Credits Separation Certificate, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF the County of Los Angeles has caused this bond to be executed on behalf of the District and in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

Chair of the Board of Supervisors

[SEAL]

Treasurer and Tax Collector

Countersigned:

Executive Officer-Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within-mentioned County Resolution and authenticated and registered on _____, 2010.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee:

Notice: Signature must be guaranteed by an eligible guarantor institution.

SCHEDULE I
TABLE OF ALLOCABLE VALUES

APPENDIX I

Certificate Number	UNITED STATES OF AMERICA	Tax Credit Amount
TC-__	STATE OF CALIFORNIA	\$ _____
	COUNTY OF LOS ANGELES	

CERTIFICATE EVIDENCING TAX CREDIT ENTITLEMENT

related to the

[LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 200_, SERIES _ (200_)]

CLEAN RENEWABLE ENERGY BOND
(TAX CREDIT BOND)

<u>Sale Date of Related Bonds</u>	<u>Issuance Date of Related Bonds</u>	<u>Maturity Date of Related Bonds</u>	<u>Applicable Tax Credit Rate</u>	<u>Tax Credit Allowance Date</u>
---------------------------------------	---	---	---------------------------------------	--------------------------------------

<u>CUSIP NO. of (if stripped from Related Bonds)</u>	<u>CUSIP NO. of Related Bonds</u>
--	---------------------------------------

Dated:

Registered Owner: CEDE & CO.

Notional Amount: _____ DOLLARS

This certificate evidences the entitlement of the Registered Owner identified above or registered assigns (the "Registered Owner") to the credit (the "Tax Credit") to be provided on the Tax Credit Allowance Date specified above, under Section 54A of the Internal Revenue Code of 1986, as amended (the "Code"), against the tax imposed by Chapter 1 of the Code ("Chapter 1"), with respect to the related component part of the bonds designated as the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series __ (20__) Clean Renewable Energy Bonds (Tax Credit Bonds) relating to the Tax Credit (the "Related Bonds"), the aggregate amount of which have been designated as clean renewable energy bonds pursuant to Section 54F of the Code by the Los Angeles Unified School District, County of Los Angeles, State of California (the "District") and the County of Los Angeles, California (the "County", and together with the District, the "Issuer"). This certificate evidences the Tax Credit Component (defined herein) of the Related Bonds on the above-referenced Tax Credit Allowance Date and the obligation of the District to maintain the status of the Related Bonds as clean renewable energy bonds under the Code.

The holder hereof shall be allowed a credit against the tax imposed by Chapter 1 in an amount equal to twenty-five percent (25%) of the annual credit determined with respect to the Related Bonds, being the product of: (a) the applicable tax credit rate set forth above (the "Applicable Rate"), and (b) the outstanding face amount of the Related Bonds (the "Notional Amount"); provided, however, that the amount for _____, 2010 of this Tax Credit shall be pro rated by the number of days from the date of initial issuance and delivery to such date in accordance with the Code. A similar rule of pro ration shall apply upon the redemption or the maturity, if applicable, of this Tax Credit.

This certificate is executed and delivered as a component part of the Related Bonds and, together with other similar certificates relating to the Related Bonds, designated as "Certificates Evidencing Tax Credit Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (2010) Clean Renewable Energy Bonds (Tax Credit Bonds)" (the "Tax Credit Certificates"). The Related Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November __, 20___. The Tax Credit Certificate is executed and delivered by the Board of Supervisors of the County and the Board of Education of the District pursuant to and in accordance with the provisions of the Constitution and laws of the State, a resolution (the "County Resolution") adopted by the Board of Supervisors of the County on _____, 2010, a resolution (the "District Resolution") adopted by the Board of Education of the District on January 12, 2010, the terms set forth in the [Bond Purchase Agreement] [Notice Inviting Proposals], dated _____, 2010 (the "[Bond Purchase Agreement] [Notice Inviting Proposals]") by and among the District, the County and the underwriters named therein and the Tax Credits Separation Certificate (as defined in the County Resolution) as provided in the County Resolution. Reference is hereby made to the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate for a description of the terms on which the Tax Credit Certificates are executed and delivered, for the rights of the Owners of the Tax Credit Certificates, and for the amendment of the Tax Credits Separation Certificate (with or without consent of the Owners of the Tax Credit Certificates and the Related Bonds); and all the terms of the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate are hereby incorporated herein and constitute a contract among the County, the District and the Registered Owner of this certificate, to all the provisions of which the Registered Owner of this certificate, by acceptance hereof, agrees and consents. Capitalized undefined terms used herein have the meanings ascribed thereto in the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate, as applicable.

The Tax Credit Certificates are subject to registration, transfer and exchange as provided in and subject to the terms and provisions of the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate.

The Related Bonds are subject to redemption as provided in the County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate. In the event of a mandatory redemption of Clean Renewable Energy Bonds from unexpended Bond Proceeds and in the event that Clean Renewable Energy Bonds have been

exchanged for Principal Strip Certificates and Tax Credit Certificates (in whole or in part) and registered separately pursuant to the Tax Credits Separation Certificate, the amount of unexpended Bond Proceeds shall be allocated, as nearly as reasonably possible, pro rata between (i) Clean Renewable Energy Bonds and (ii) an amount of (a) Principal Strip Certificates and (b) Tax Credit Certificates that would relate to such principal amount of Principal Strip Certificates, based upon the relative par amounts of the outstanding Clean Renewable Energy Bonds and the outstanding Principal Strip Certificates. Any Principal Strip Certificates and Tax Credit Certificates to be so redeemed shall also be called for redemption on the same terms and conditions and in the same manner as the Clean Renewable Energy Bonds pursuant to the County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate, and the price for redemption to be paid by the District and used to redeem Principal Strip Certificates and Tax Credit Certificates so redeemed shall be allocated to the Clean Renewable Energy Bonds, Principal Strip Certificates and the Tax Credit Certificates in the proportions and values set forth in the Table of Allocable Values attached hereto as Schedule I.

Pursuant to the County Resolution and the Tax Credits Separation Certificate, the Tax Credit Certificates may be converted, in whole or in part, into Cash Interest Certificates requiring the District to make cash payments of interest thereon to the Owners thereof as provided and in accordance with the terms of the Tax Credits Separation Certificate.

Payments of interest on the Cash Interest Certificates shall be payable as set forth in the County Resolution and the Tax Credits Separation Certificate.

All acts, conditions and things required by law to be done or performed precedent to and in the execution and delivery of this Tax Credit Certificate have been done and performed in accordance with the laws authorizing the execution and delivery of this Tax Credit Certificate. This Tax Credit Certificate is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes.

This Certificate shall not be entitled to any benefit or be valid for any purpose unless signed by manual or facsimile signature of an authorized signatory of the County and an authorized signatory of the District and authenticated by the manual signature of a duly authorized officer of the Paying Agent.

IN WITNESS WHEREOF the Los Angeles Unified School District has caused this certificate to be executed in his/her official capacity by the manual or facsimile signature of an Authorized Officer of the District and countersigned by the manual or facsimile signature of the Executive Officer-Board of Education and the County of Los Angeles has caused this certificate to be executed in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

Chair of the Board of Supervisors

[SEAL]

Treasurer and Tax Collector

Countersigned:

Executive Officer-Clerk of the Board of Supervisors

LOS ANGELES UNIFIED SCHOOL DISTRICT

Authorized District Officer

Countersigned:

Executive Officer, Board of Education

**PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This is one of the Certificates Evidencing Tax Credit Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series __ (2010) Clean Renewable Energy Bonds (Tax Credit Bonds) described in the within-mentioned County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] dated _____, 2010 by and among the County of Los Angeles, the Los Angeles Unified School District and the underwriters named therein and the Tax Credits Separation Certificate dated _____, 2010 executed by the Los Angeles Unified School District and the County of Los Angeles and authenticated and registered on _____.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

SCHEDULE I
TABLE OF ALLOCABLE VALUES

Certificate Number
TC-__

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Principal Component Amount
\$_____

CERTIFICATE EVIDENCING PRINCIPAL COMPONENT ENTITLEMENT

related to the

[LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 200_, SERIES _ (200_)]

CLEAN RENEWABLE ENERGY BOND
(TAX CREDIT BOND)

<u>Sale Date of Related Bonds</u>	<u>Issuance Date of Related Bonds</u>	<u>Maturity Date of Related Bonds</u>	<u>Interest Rate</u>
---------------------------------------	---	---	--------------------------

<u>CUSIP NO. of (if stripped from Related Bonds)</u>	<u>CUSIP NO. of Related Bonds</u>
--	---------------------------------------

Dated:

Registered Owner: CEDE & CO.

Principal Component Amount: _____ DOLLARS

This certificate evidences the entitlement of the Registered Owner identified above or registered assigns (the "Registered Owner") to the principal component specified above (the "Principal Component") and the interest thereon as described herein, with respect to a component part of the bonds designated as the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series __ (20__) Clean Renewable Energy Bonds (Tax Credit Bonds) relating to the Principal Component (the "Related Bonds"), the aggregate amount of which have been designated as clean renewable energy bonds pursuant to Section 54F of the Internal Revenue Code of 1986, as amended (the "Code") by the Los Angeles Unified School District, County of Los Angeles, State of California (the "District") and the County of Los Angeles, California (the "County", and together with the District, the "Issuer"). This certificate evidences the Principal Component of the Related Bonds.

This certificate is executed and delivered as a component part of the Related Bonds and, together with other similar certificates relating to the Related Bonds, designated as “Certificates Evidencing Principal Component related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series __ (20__) Clean Renewable Energy Bonds (Tax Credit Bonds)” (the “Principal Strip Certificates”). The Related Bonds were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November __, 20__. The Principal Strip Certificate is executed and delivered by the Board of Supervisors of the County and the Board of Education of the District pursuant to and in accordance with the provisions of the Constitution and laws of the State and a resolution (the “County Resolution”) adopted by the Board of Supervisors of the County on _____, 2010, a resolution (the “District Resolution”) adopted by the Board of Education of the District on January 12, 2010, the terms set forth in the [Bond Purchase Agreement] [Notice Inviting Proposals], dated _____, 2010 (the “[Bond Purchase Agreement] [Notice Inviting Proposals]”) by and among the District, the County and the underwriters named therein and the Tax Credits Separation Certificate (as defined in the County Resolution) as provided in the County Resolution. Reference is hereby made to the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate for a description of the terms on which the Principal Strip Certificates are executed and delivered, for the rights of the Owners of the Principal Strip Certificates, and for the amendment of the Tax Credits Separation Certificate (with or without consent of the Owners of the Principal Strip Certificates and the Related Bonds); and all the terms of the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate are hereby incorporated herein and constitute a contract among the County, the District and the Registered Owner of this certificate, to all the provisions of which the Registered Owner of this certificate, by acceptance hereof, agrees and consents. Capitalized undefined terms used herein have the meanings ascribed thereto in the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate, as applicable.

The District promises to pay to the person whose name appears on the bond registration books (the “Registration Books”) of the Paying Agent as the registered owner (the “Registered Owner”) identified above or registered assigns, on the maturity date set forth above or upon prior redemption hereof, the Principal Component Amount specified above in lawful money of the United States of America, and to pay interest thereon (the “Supplemental Coupon”) in like lawful money from the Interest Payment Date (defined herein) next preceding the date of authentication of this bond, unless this bond is authenticated during the period after the close of business on the Record Date (defined herein) immediately preceding any Interest Payment Date to and including such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated on or before _____, 2010, in which event interest thereon shall be payable from the date hereof) at the interest rate per annum stated above, payable commencing on _____, 2010, and thereafter on each March 15, June 15, September 15 and December 15 in each year (each, an “Interest Payment Date”), until payment of the Principal Component Amount.

Payments of principal of and interest on this Principal Strip Certificate shall be payable as set forth in the County Resolution and the Tax Credits Separation Certificate.

The Principal Strip Certificates are subject to registration, transfer and exchange as provided in and subject to the terms and provisions of the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate.

Pursuant to the County Resolution and the Tax Credits Separation Certificate, the Principal Strip Certificates relating to the Related Bonds may be exchanged for Principal Strip Certificates relating to Interest Bearing Bonds in the event the Related Bonds are converted, in whole or in part, into Interest Bearing Bonds requiring the District to make cash payments of interest thereon to the Owners thereof as provided and in accordance with the terms of the Tax Credits Separation Certificate.

The Related Bonds are subject to redemption as provided in the County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate. In the event of a mandatory redemption of Clean Renewable Energy Bonds from unexpended Bond Proceeds and in the event that Clean Renewable Energy Bonds have been exchanged for Principal Strip Certificates and Tax Credit Certificates (in whole or in part) and registered separately pursuant to the Tax Credits Separation Certificate, the amount of unexpended Bond Proceeds shall be allocated, as nearly as reasonably possible, *pro rata* between (i) Clean Renewable Energy Bonds and (ii) an amount of (a) Principal Strip Certificates and (b) Tax Credit Certificates that would relate to such principal amount of Principal Strip Certificates, based upon the relative par amounts of the outstanding Clean Renewable Energy Bonds and the outstanding Principal Strip Certificates. Any Principal Strip Certificates and Tax Credit Certificates to be so redeemed shall also be called for redemption on the same terms and conditions and in the same manner as the Clean Renewable Energy Bonds pursuant to the County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate and the price for redemption to be paid by the District and used to redeem Principal Strip Certificates and Tax Credit Certificates so redeemed shall be allocated to the Clean Renewable Energy Bonds, Principal Strip Certificates and the Tax Credit Certificates in the proportions and values set forth in the Table of Allocable Values attached hereto as Schedule I.

All acts, conditions and things required by law to be done or performed precedent to and in the execution and delivery of this Principal Strip Certificate have been done and performed in accordance with the laws authorizing the execution and delivery of this Principal Strip Certificate. This Principal Strip Certificate is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes.

This Certificate shall not be entitled to any benefit or be valid for any purpose unless signed by manual or facsimile signature of an authorized signatory of the County and an authorized signatory of the District and authenticated by the manual signature of a duly authorized officer of the Paying Agent.

IN WITNESS WHEREOF the Los Angeles Unified School District has caused this certificate to be executed in his/her official capacity by the manual or facsimile signature of an Authorized Officer of the District and countersigned by the manual or facsimile signature of the Executive Officer-Board of Education and the County of Los Angeles has caused this certificate to be executed in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

Chair of the Board of Supervisors

[SEAL]

Treasurer and Tax Collector

Countersigned:

Executive Officer-Clerk of the Board of Supervisors

LOS ANGELES UNIFIED SCHOOL DISTRICT

Authorized District Officer

Countersigned:

Executive Officer, Board of Education

**PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This is one of the Certificates Evidencing Principal Component Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200__, Series _ (2010) Clean Renewable Energy Bonds (Tax Credit Bonds) within-mentioned County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] dated _____, 2010 by and among the County of Los Angeles, the Los Angeles Unified School District and the underwriters named therein and the Tax Credits Separation Certificate dated _____, 2010 executed by the Los Angeles Unified School District and the County of Los Angeles and authenticated and registered on _____.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

SCHEDULE I
TABLE OF ALLOCABLE VALUES

EXHIBIT G

[FORM OF INTEREST BEARING BOND]

Number _____ UNITED STATES OF AMERICA Principal Sum
TC-____ STATE OF CALIFORNIA \$ _____
COUNTY OF LOS ANGELES

[LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 200_, SERIES _ (200_)]

<u>Maturity Date</u>	<u>Supplemental Coupon</u>	<u>Interest Rate</u>	<u>Dated as of</u>	<u>CUSIP NO.</u>
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Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

Los Angeles Unified School District, County of Los Angeles, State of California (herein called the "District"), acknowledges itself obligated to and promises to pay to the person whose name appears on the bond registration books (the "Registration Books") of the Paying Agent as the registered owner (the "Registered Owner") identified above or registered assigns, on the maturity date set forth above or upon prior redemption hereof, the principal sum specified above (the "Principal Component") in lawful money of the United States of America, and to pay interest thereon at the interest rate per annum set forth above (the "Cash Interest Component") and to pay interest thereon at the Supplemental Coupon Rate set forth above (the "Supplemental Coupon") each in like lawful money from the Interest Payment Date (defined herein) next preceding the date of authentication thereof, unless it is authenticated during the period after the close of business on the Record Date (defined herein) immediately preceding any Interest Payment Date to and including such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date after the Tax Credit Conversion Date, in which event it shall bear interest from the Tax Credit Conversion Date at the Interest Rate and at the Supplemental Coupon Rate, payable on the March 15, June 15, September 15 or December 15 immediately following the Tax Credit Conversion Date, and thereafter on each March 15, June 15, September 15 and December 15 in each year (each, an "Interest Payment Date"), until payment of the Principal sum in accordance with the County Resolution and the Tax Credits Separation Certificate (with appropriate adjustment for any Tax Credits that in fact will be allowed to the Owner by the IRS subsequent to the Tax Credit Conversion Date) to maturity.

This bond was originally issued as a “_____” as defined in Section ____ of the Internal Revenue Code of 1986, as amended (the “Code”) and has been converted to an Interest Bearing Bond in accordance with a resolution (the “County Resolution”) adopted by the Board of Supervisors of the County on _____, 2010, a resolution (the “District Resolution”) adopted by the Board of Education of the District on January 12, 2010 and the Tax Credits Separation Certificate dated _____, 2010 executed by the District and the County (the “Tax Credits Separation Certificate”)

Pursuant to the County Resolution and the Tax Credits Separation Certificate at the option of an Owner of an Interest Bearing Bond (defined herein), the ownership of the Principal Component and the Cash Interest Component may be separated or “stripped” from such Interest Bearing Bond. Upon any such separation, the Principal Component and the Cash Interest Component will be evidenced by principal strip certificates (the “Principal Strip Certificates”) and cash interest certificate certificates (the “Cash Interest Certificates”), each of which will be separately registered by the Paying Agent. The Owner of the Principal Strip Certificates will be entitled to the interest payments of the Supplemental Coupon related thereto. In addition, the Owner of a Principal Strip Certificate and the requisite number of Cash Interest Certificates may recombine such Principal Strip Certificate and Cash Interest Certificates into unstripped Interest Bearing Bonds in accordance with the Tax Credits Separation Certificate.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$_____ and designated, as the “Los Angeles Unified School District General Obligation Bonds (County of Los Angeles), Election of 20__, Series _ (2010) (the Interest Bearing Bonds”).

Payments of principal of and interest on the Interest Bearing Bonds shall be payable as set forth in the County Resolution and the [Bond Purchase Agreement] [Notice Inviting Proposals] (defined herein).

This Interest Bearing Bond is issuable only as fully registered bonds. Interest Bearing Bonds prior to any separation of Cash Interest Payment Components from the Principal Component thereof shall be issuable in denominations of \$5,000 or any integral multiple thereof. Interest Bearing Bonds and the Principal Strip Certificates thereof subsequent to any separation of the Cash Interest Payment Components from the Principal Component thereof shall be issuable in denominations of \$40,000 or any integral multiple thereof. This bond is exchangeable and transferable as provided in the County Resolution and the Tax Credits Separation Certificate.

The Bonds shall be subject to redemption as provided in the County Resolution, the Tax Credits Separation Certificate and the [Bond Purchase Agreement] [Notice Inviting Proposals], dated _____, 2010 (the “[Bond Purchase Agreement] [Notice Inviting Proposals]”) by and among the District, the County and the underwriters named therein. In the event that the ownership of the Principal Strip Certificates or Cash Interest Certificates have been separated from the ownership of the Interest Bearing Bonds and registered separately pursuant to the Tax Credits Separation Certificate, the Principal Strip Certificates and Cash Interest Certificates related to the redeemed Interest Bearing Bonds shall be called for redemption in the same

manner as the Interest Bearing Bonds, and the redemption price shall be allocated to the Principal Strip Certificates and Cash Interest Certificates in the proportions set forth in the Table of Allocable Values attached hereto as Schedule I.

The District, the County and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this bond shall be overdue, and shall not be affected by any notice to the contrary.

All acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in accordance with the laws authorizing the issuance of this bond. This bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. This bond represents an obligation of the District payable out of the applicable Interest and Sinking Fund (as defined in the County Resolution), and the money for the payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

Reference is hereby made to the County Resolution, the District Resolution, the Tax Credits Separation Certificate and the [Bond Purchase Agreement] [Notice Inviting Proposals] for a description of the terms of the Interest Bearing Bonds and the rights of the Owners of the Interest Bearing Bonds. The terms of the County Resolution, the District Resolution, Tax Credits Separation Certificate and the [Bond Purchase Agreement] [Notice Inviting Proposals] are hereby incorporated herein. Capitalized terms used and not defined herein have the meanings ascribed thereto in the County Resolution.

This bond shall not be entitled to any benefit under the County Resolution, the District Resolution or the Tax Credits Separation Certificate, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF the County of Los Angeles has caused this bond to be executed on behalf of the District and in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

Chair of the Board of Supervisors

[SEAL]

Treasurer and Tax Collector

Countersigned:

Executive Officer-Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within-mentioned County Resolution and authenticated and registered on _____, 20__.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee:

Notice: Signature must be guaranteed by an eligible guarantor institution.

SCHEDULE I
TABLE OF ALLOCABLE VALUES

APPENDIX I

Certificate Number TC-__	UNITED STATES OF AMERICA STATE OF CALIFORNIA COUNTY OF LOS ANGELES	Principal Amount \$ _____
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CERTIFICATE EVIDENCING PRINCIPAL COMPONENT ENTITLEMENT

related to the

LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 200_, SERIES _ (200_)

<u>Sale Date of Related Bonds</u>	<u>Issuance Date of Related Bonds</u>	<u>Maturity Date of Related Bonds</u>	<u>Interest Rate</u>
			%
	<u>CUSIP NO. of (if stripped from Related Bonds)</u>	<u>CUSIP NO. of Related Bonds</u>	

Dated:

Registered Owner: CEDE & CO.

Principal Component Amount: _____ DOLLARS

This certificate evidences the entitlement of the Registered Owner identified above or registered assigns (the "Registered Owner") to the principal component specified above (the "Principal Component") and the interest thereon as described herein, with respect to a component part of the bonds designated as the Los Angeles Unified School District General Obligation Bonds Election of 20__, Series __ (2010) (the "Related Bonds") relating to the Principal Component, the aggregate amount of which were initially designated as "_____" pursuant to Section ___ of the Internal Revenue Code of 1986, as amended (the "Code") by the Los Angeles Unified School District, County of Los Angeles, State of California (the "District") and the County of Los Angeles, California (the "County", and together with the District, the "Issuer"). This certificate evidences the Principal Component of the Related Bonds.

This certificate is executed and delivered as a component part of the Related Bonds and, together with other similar certificates relating to the Related Bonds, designated as "Certificates Evidencing Principal Component related to the Los Angeles Unified School District General Obligation Bonds Election of 20__, Series _ (2010)" (the "Principal Strip Certificates"). The

Related Bonds, which have been converted to Interest Bearing Bonds, were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November __, 20__. This Principal Strip Certificate is executed and delivered by the Board of Supervisors of the County and the Board of Education of the District pursuant to and in accordance with the provisions of the Constitution and laws of the State and a resolution (the "County Resolution") adopted by the Board of Supervisors of the County on _____, 2010, a resolution (the "District Resolution") adopted by the Board of Education of the District on January 12, 2010, the terms set forth in the [Bond Purchase Agreement] [Notice Inviting Proposals], dated _____, 2010 (the "[Bond Purchase Agreement] [Notice Inviting Proposals]") by and among the District, the County and the underwriters named therein and the Tax Credits Separation Certificate (as defined in the County Resolution) as provided in the County Resolution. Reference is hereby made to the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate for a description of the terms on which the Principal Strip Certificates are executed and delivered, for the rights of the Owners of the Principal Strip Certificates, and for the amendment of the Tax Credits Separation Certificate (with or without consent of the Owners of the Principal Strip Certificates and the Related Bonds); and all the terms of the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate are hereby incorporated herein and constitute a contract among the County, the District and the Registered Owner of this certificate, to all the provisions of which the Registered Owner of this certificate, by acceptance hereof, agrees and consents. Capitalized undefined terms used herein have the meanings ascribed thereto in the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate, as applicable.

The District promises to pay to the person whose name appears on the bond registration books (the "Registration Books") of the Paying Agent as the registered owner (the "Registered Owner") identified above or registered assigns, on the maturity date set forth above or upon prior redemption hereof, the Principal Component Amount specified above in lawful money of the United States of America, and to pay interest thereon (the "Supplemental Coupon") in accordance with the County Resolution and the Tax Credits Separation Certificate.

The Principal Strip Certificates are subject to registration, transfer and exchange as provided in and subject to the terms and provisions of the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate.

The Related Bonds are subject to redemption as provided in the County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate. In the event of a mandatory redemption of Interest Bearing Bonds from unexpended Bond Proceeds and in the event that Interest Bearing Bonds have been exchanged for Principal Strip Certificates and Cash Interest Certificates (in whole or in part) and registered separately pursuant to the Tax Credits Separation Certificate, the amount of unexpended Bond Proceeds shall be allocated, as nearly as reasonably possible, *pro rata* between (i) Interest Bearing Bonds and (ii) an amount of (a) Principal Strip Certificates and (b) Cash Interest Certificates that would relate to such principal amount of Principal Strip Certificates, based upon the relative par amounts of the outstanding Interest Bearing Bonds and the outstanding Principal Strip Certificates. Any Principal Strip Certificates and Cash Interest Certificates to be so redeemed

shall also be called for redemption on the same terms and conditions and in the same manner as the Interest Bearing Bonds pursuant to the County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate, and the price for redemption to be paid by the District and used to redeem Principal Strip Certificates and Cash Interest Certificates so redeemed shall be allocated to the Interest Bearing Bonds, Principal Strip Certificates and the Cash Interest Certificates in the proportions and values set forth in the Table of Allocable Values attached hereto as Schedule I.

All acts, conditions and things required by law to be done or performed precedent to and in the execution and delivery of this Principal Strip Certificate have been done and performed in accordance with the laws authorizing the execution and delivery of this Principal Strip Certificate. This Principal Strip Certificate is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes.

This Certificate shall not be entitled to any benefit or be valid for any purpose unless signed by manual or facsimile signature of an authorized signatory of the County and an authorized signatory of the District and authenticated by the manual signature of a duly authorized officer of the Paying Agent.

IN WITNESS WHEREOF the Los Angeles Unified School District has caused this certificate to be executed in his/her official capacity by the manual or facsimile signature of an Authorized Officer of the District and countersigned by the manual or facsimile signature of the Executive Officer-Board of Education and the County of Los Angeles has caused this certificate to be executed in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

Chair of the Board of Supervisors

[SEAL]

Treasurer and Tax Collector

Countersigned:

Executive Officer-Clerk of the Board of Supervisors

LOS ANGELES UNIFIED SCHOOL DISTRICT

Authorized District Officer

Countersigned:

Executive Officer, Board of Education

**PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This is one of the Certificates Evidencing Principal Component Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 20__, Series __ (2010) within-mentioned County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] dated _____ 1, 2010 by and among the County of Los Angeles, the Los Angeles Unified School District and the underwriters named therein and the Tax Credits Separation Certificate dated _____ 1, 2010 executed by the Los Angeles Unified School District and the County of Los Angeles and authenticated and registered on _____.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

SCHEDULE I

TABLE OF ALLOCABLE VALUES

Certificate Number
TC-__

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

Notional Amount
\$_____

CERTIFICATE EVIDENCING CASH INTEREST ENTITLEMENT

related to the

[LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
ELECTION OF 200_, SERIES _ (200_)]

<u>Sale Date of Related Bonds</u>	<u>Issuance Date of Related Bonds</u>	<u>Maturity Date of Related Bonds</u>	<u>Applicable Interest Rate</u>	<u>Cash Interest Payment Date</u>

<u>CUSIP NO. of (if stripped from Related Bonds)</u>	<u>CUSIP NO. of Related Bonds</u>

Dated:

Registered Owner: CEDE & CO.

Notional Amount: _____ DOLLARS

This certificate evidences the entitlement of the Registered Owner identified above or registered assigns (the "Registered Owner") to a payment relating to the cash interest component (the "Cash Interest Component") to be provided on the Cash Interest Payment Date specified above with respect to the related component part of the bonds designated as the Los Angeles Unified School District General Obligation Bonds Election of 20__), Series __ (20__) (the "Related Bonds") relating to the cash interest payments thereon, the aggregate amount of which were originally designated as "_____" pursuant to Section ___ of the Internal Revenue Code of 1986, as amended, by the Los Angeles Unified School District, County of Los Angeles, State of California (the "District") and the County of Los Angeles, California (the "County", and together with the District, the "Issuer"), but which have been converted to Interest Bearing Bonds in accordance with the County Resolution (defined herein) and the Tax Credits Separation Certificate (defined herein). This certificated evidences the Cash Interest Component of the Related Bonds for the Cash Interest Payment Date identified above.

This certificate is executed and delivered as a component part of the Related Bonds and, together with other similar certificates relating to the Related Bonds, designated as "Certificates Evidencing Cash Interest Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 20__, Series _ (20__)" (the "Cash Interest Certificates"). The

Related Bonds, which have been converted to Interest Bearing Bonds, were authorized by a vote of at least 55% of the voters voting at an election duly and legally called, held and conducted in the District on November __, 20___. This Cash Interest Certificate is executed and delivered by the Board of Supervisors of the County and the Board of Education of the District pursuant to and in accordance with the provisions of the Constitution and laws of the State, a resolution (the "County Resolution") adopted by the Board of Supervisors of the County on _____, 2010, a resolution (the "District Resolution") adopted by the Board of Education of the District on January 12, 2010, the terms set forth in the [Bond Purchase Agreement] [Notice Inviting Proposals], dated _____, 2010 (the "[Bond Purchase Agreement] [Notice Inviting Proposals]") by and among the District, the County and the underwriters named therein and the Tax Credits Separation Certificate (as defined in the County Resolution) as provided in the County Resolution. Reference is hereby made to the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate for a description of the terms on which the Tax Credit Certificates are executed and delivered, for the rights of the Owners of the Tax Credit Certificates, and for the amendment of the Tax Credits Separation Certificate (with or without consent of the Owners of the Tax Credit Certificates and the Related Bonds); and all the terms of the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate are hereby incorporated herein and constitute a contract among the County, the District and the Registered Owner of this certificate, to all the provisions of which the Registered Owner of this certificate, by acceptance hereof, agrees and consents. Capitalized undefined terms used herein have the meanings ascribed thereto in the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate, as applicable.

The Cash Interest Certificates are subject to registration, transfer and exchange as provided in and subject to the terms and provisions of the County Resolution, the District Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate.

The Related Bonds are subject to redemption as provided in the County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate. In the event of a mandatory redemption of Interest Bearing Bonds from unexpended Bond Proceeds and in the event that Interest Bearing Bonds have been exchanged for Principal Strip Certificates and Cash Interest Certificates (in whole or in part) and registered separately pursuant to the Tax Credits Separation Certificate, the amount of unexpended Bond Proceeds shall be allocated, as nearly as reasonably possible, *pro rata* between (i) Interest Bearing Bonds and (ii) an amount of (a) Principal Strip Certificates and (b) Cash Interest Certificates that would relate to such principal amount of Principal Strip Certificates, based upon the relative par amounts of the outstanding Interest Bearing Bonds and the outstanding Principal Strip Certificates. Any Principal Strip Certificates and Cash Interest Certificates to be so redeemed shall also be called for redemption on the same terms and conditions and in the same manner as the Interest Bearing Bonds pursuant to the County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] and the Tax Credits Separation Certificate, and the price for redemption to be paid by the District and used to redeem Principal Strip Certificates and Cash Interest Certificates so redeemed shall be allocated to the Interest Bearing Bonds, Principal Strip

Certificates and the Cash Interest Certificates in the proportions and values set forth in the Table of Allocable Values attached hereto as Schedule I.

Payments of interest on the Cash Interest Certificates shall be payable as set forth in the County Resolution and the Tax Credits Separation Certificate.

All acts, conditions and things required by law to be done or performed precedent to and in the execution and delivery of this Cash Interest Certificate have been done and performed in accordance with the laws authorizing the execution and delivery of this Cash Interest Certificate. This Cash Interest Certificate is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes.

This Certificate shall not be entitled to any benefit or be valid for any purpose unless signed by manual or facsimile signature of an authorized signatory of the County and an authorized signatory of the District and authenticated by the manual signature of a duly authorized officer of the Paying Agent.

IN WITNESS WHEREOF the Los Angeles Unified School District has caused this certificate to be executed in his/her official capacity by the manual or facsimile signature of an Authorized Officer of the District and countersigned by the manual or facsimile signature of the Executive Officer-Board of Education and the County of Los Angeles has caused this certificate to be executed in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

Chair of the Board of Supervisors

[SEAL]

Treasurer and Tax Collector

Countersigned:

Executive Officer-Clerk of the Board of Supervisors

LOS ANGELES UNIFIED SCHOOL DISTRICT

Authorized District Officer

Countersigned:

Executive Officer, Board of Education

**PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION**

This is one of the Certificates Evidencing Cash Interest Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series __ (200_) described in the within-mentioned County Resolution, the [Bond Purchase Agreement] [Notice Inviting Proposals] dated _____, 2010 by and among the County of Los Angeles, the Los Angeles Unified School District and the underwriters named therein and the Tax Credits Separation Certificate dated _____, 2010 executed by the Los Angeles Unified School District and the County of Los Angeles and authenticated and registered on _____.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

SCHEDULE I
TABLE OF ALLOCABLE VALUES

issued as a “build america bond” as defined in Section 54C of the Internal Revenue Code of 1986, as amended (the “Code”).

The principal hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office of U.S. Bank National Association as agent for the Treasurer and Tax Collector of the County of Los Angeles (the “County”), as Paying Agent (collectively referenced herein as the “Paying Agent”), the paying agent/registrar and transfer agent of the County. The interest hereon is payable to the Registered Owner hereof as of the close of business on the 15th day of the month preceding an Interest Payment Date (the “Record Date”), whether or not such day is a business day, such interest to be paid by check mailed to such Registered Owner at the Owner’s address as it appears on such Registration Books, or at such other address filed with the Paying Agent for that purpose.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, subseries, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$_____, and designated as the “Los Angeles Unified School District General Obligation Bonds (County of Los Angeles), Election of 200_, Series __(200_) (Build America Bonds) (the “Build America Bonds”). The Build America Bonds are issued and sold by the Board of Supervisors of the County of Los Angeles, State of California, pursuant to the provisions of the Constitution and laws of the State and of a resolution (the “County Resolution”) adopted by the Board of Supervisors of the County on _____, 2010.

The Build America Bonds of this issue are issuable only as fully registered bonds in the denominations of \$5,000 principal amount or any integral multiple thereof. This bond is exchangeable and transferable as provided in the County Resolution.

The Build America Bonds shall be subject to redemption as provided in the County Resolution and the [Bond Purchase Agreement] [Notice Inviting Proposals], dated _____, 2010 (the “[Bond Purchase Agreement] [Notice Inviting Proposals]”) by and among the District, the County and the underwriters named therein.

The District, the County and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this bond shall be overdue, and shall not be affected by any notice to the contrary.

All acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in accordance with the laws authorizing the issuance of this bond. This bond is in substantially the form prescribed by order of the Board of Supervisors duly made and entered on its minutes. This bond represents an obligation of the District payable out of the applicable Interest and Sinking Fund (as defined in the County Resolution), and the money for the payment of principal of, premium, if any, and interest, if any, hereon, shall be raised by taxation upon the taxable property of the District.

Reference is hereby made to the County Resolution and the District Resolution adopted by the District’s Board of Education on January 12, 2010 (the “District Resolution”), and [Bond

Purchase Agreement] [Notice Inviting Proposals] for a description of the terms of the Build America Bonds and the rights of the Owners of the Build America Bonds. The terms of the County Resolution, the District Resolution and the [Bond Purchase Agreement] [Notice Inviting Proposals] are hereby incorporated herein. Capitalized terms used and not defined herein have the meanings ascribed thereto in the County Resolution.

This bond shall not be entitled to any benefit under the County Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF the County of Los Angeles has caused this bond to be executed on behalf of the District and in their official capacities by manual or facsimile signatures of the Chair of the Board of Supervisors of the County and the Treasurer and Tax Collector of the County, and to be countersigned by the manual or facsimile signature of the Executive Officer-Clerk of the Board of Supervisors of the County, all as of the date set forth above.

COUNTY OF LOS ANGELES, CALIFORNIA

Chair of the Board of Supervisors

[SEAL]

Treasurer and Tax Collector

Countersigned:

Executive Officer-Clerk of the Board of Supervisors

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Build America Bonds described in the within-mentioned County Resolution and authenticated and registered on _____, 200_.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____
Signature Guarantee:

Notice: Signature must be guaranteed by an eligible guarantor institution.

LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)

\$ _____
General Obligation Bonds,
Election of 2002, Series E (2010)
(Tax-Exempt)

\$ _____
General Obligation Bonds,
Election of 2004, Series J (2010)
(Tax-Exempt)

\$ _____
General Obligation Bonds,
Series KRY (2010)
(Federally Taxable Build America Bonds)

\$ _____
General Obligation Bonds
Election of 2005, Series I (2010)
Qualified School Construction Bonds
(Tax Credit Bonds)

\$ _____
General Obligation Bonds
Election of 2005, Series J (2010)
Clean Renewable Energy Bonds
(Tax Credit Bonds)

BOND PURCHASE AGREEMENT

_____, 2010

County of Los Angeles
437 Kenneth Hahn Hall of Administration
Treasurer and Tax Collector
500 West Temple Street
Los Angeles, California 90012

Los Angeles Unified School District
c/o Office of the Chief Financial Officer
333 S. Beaudry Avenue, 26th Floor
Los Angeles, California 90017

Ladies and Gentlemen:

The undersigned, _____, on its own behalf and as representative (the “**Representative**”) of the Underwriters identified on the signature page hereof (collectively, the “**Underwriters**”), hereby offers to enter into this Bond Purchase Agreement (the “**Purchase Agreement**”) with the County of Los Angeles, California (the “**County**”) and the Los Angeles Unified School District (the “**District**”), which, upon your acceptance hereof, will be binding upon the County, the District and the Underwriters. By execution of this Purchase Agreement, the County acknowledges the terms hereof and recognizes that it will be bound by certain of the provisions hereof, and to the extent binding on the County, acknowledges and agrees to such terms. This offer is made subject to the written acceptance of this Purchase Agreement by the County and the District and delivery of such acceptance to us at or prior to 11:59 PM, California Time, on the date hereof.

1. **Purchase and Sale of the Bonds.**

A. Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase from the County for reoffering to the public, and the County hereby agrees to sell in the name and on behalf of the District to the Underwriters for such purpose, all (but not less than all) of the District's [General Obligation Bonds, Election of 2002, Series E (2010) (Tax-Exempt) (the "**Measure K Series E Bonds**") in an aggregate principal amount of \$_____ and the District's General Obligation Bonds, Election of 2004, Series J (2010) (Tax-Exempt) (the "**Measure R Series J Bonds**") and together with the Measure K Series E Bonds, the "**Bonds**") in an aggregate principal amount of \$_____] [General Obligation Bonds, Series KRY (2010) (Federally Taxable Build America Bonds)] [General Obligation Bonds, Election of 2005, Series I (2010) Qualified School Construction Bonds (Tax Credit Bonds)] [General Obligation Bonds, Election of 2005, Series J (2010) Clean Renewable Energy Bonds (Tax Credit Bonds)] [(the "**Bonds**") in an aggregate principal amount of \$_____]. The Bonds shall be dated their date of delivery, shall [bear [or accrete] interest at the rates,] [have the tax credit rate,] shall mature in the years and amounts and shall have the redemption provisions as set forth in Exhibit A hereto.

B. The Underwriters shall purchase the [Measure K Series E] Bonds at a price of \$_____ (the "**[Measure K Series E Bond] Purchase Price**") (which represents the aggregate principal amount of the [Measure K Series E] Bonds, [plus net original issue premium of \$_____,] and less an Underwriters' discount in the amount of \$_____). From the [Measure K Series E Bond] Purchase Price for the [Measure K Series E] Bonds, the Underwriters shall withhold and hereby agree to wire on the Closing Date (as defined below) \$_____ in immediately available funds to U.S. Bank National Association, as costs administrator, to pay the costs of issuance of the [Measure K Series E] Bonds as provided in Section 14 of this Purchase Agreement.

C. [The Underwriters shall purchase the Measure R Series J Bonds at a price of \$_____ (the "**Measure R Series J Bond Purchase Price**" and together with the [Measure K Series E Bond] Purchase Price, the "**Purchase Price**") (which represents the aggregate principal amount of the Measure R Series J Bonds, [plus net original issue premium of \$_____,] and less an Underwriters' discount in the amount of \$_____). From the Measure R Series J Bond Purchase Price for the Measure R Series J Bonds, the Underwriters shall withhold and hereby agree to wire on the Closing Date (as defined below) \$_____ in immediately available funds to U.S. Bank National Association, as costs administrator, to pay the costs of issuance of the Measure R Series J Bonds as provided in Section 14 of this Purchase Agreement.]

D. Any authority, discretion, or other power conferred upon the Underwriters by this Purchase Agreement shall be exercised by the Representative alone.

2. **The Bonds.**

A. [The Measure K Series E Bonds shall consist of \$_____ aggregate principal amount of current interest bonds (the “**Current Interest Bonds**”), \$_____ aggregate initial principal amount of capital appreciation bonds (the “**Capital Appreciation Bonds**”) and \$_____ aggregate initial principal amount of convertible capital appreciation bonds (the “**Convertible Capital Appreciation Bonds**”). The Measure R Series J Bonds shall consist of \$_____ aggregate principal amount of Current Interest Bonds, \$_____ aggregate initial principal amount of Capital Appreciation Bonds and \$_____ aggregate initial principal amount of Convertible Capital Appreciation Bonds. The Bonds, shall be dated their date of delivery, shall bear or accrete interest at the rates, shall be issued in fully registered form in the authorized denominations of \$5,000 or any integral multiple thereof, shall be subject to redemption prior to their maturity and shall mature on the dates and in the years shown on Exhibit A hereto, which is incorporated herein by this reference. The Current Interest Bonds shall bear interest from the date thereof and such interest shall be payable on each January 1 and July 1, commencing _____ 1, 20___. The Capital Appreciation Bonds shall accrete interest from their date, compounded semiannually on January 1 and July 1, commencing on _____ 1, 20___, and shall be paid at maturity as shown in Exhibit A hereto. The Convertible Capital Appreciation Bonds shall accrete interest from their date, compounded semiannually on January 1 and July 1, commencing on _____ 1, 20___, to the applicable conversion date thereof (the “**Conversion Date**”) as shown in Exhibit A hereto. From and after the Conversion Date thereof, each Convertible Capital Appreciation Bond shall bear interest from such Conversion Date and such interest shall be payable on each January 1 and July 1, commencing on the January 1 or July 1 immediately following such Conversion Date. The stated value of each Convertible Capital Appreciation Bond at the Conversion Date thereof shall be paid at maturity as shown in Exhibit A hereto.]

[A. The Bonds shall be issued in the form of current interest bonds in such principal amounts as set forth in Exhibit A hereto and shall be issued in fully registered form in the authorized denominations of \$5,000 or any integral multiple thereof. The Bonds shall bear interest payable from the date thereof and such interest shall be payable on each January 1 and July 1, commencing _____ 1, 20___. The District shall designate the Bonds as “Build America Bonds” (“**Build America Bonds**”) pursuant to Section 54AA(g) of the Internal Revenue Code of 1986 (the “**Code**”).]

[A. The Bonds shall consist of tax credit bonds, designated by the District as [“qualified school construction bonds” (“**Qualified School Construction Bonds**”)] [“clean renewable energy bonds” (the “**Clean Renewable Energy Bonds**”)] pursuant to Section [54F(a)][54C(a)] of the Internal Revenue Code of 1986, as amended (the “**Code**”), and shall be dated their date of delivery, shall have the tax credit rate (the “**Tax Credit Rate**”), shall be subject to redemption prior to their maturity and shall mature on the date and in the year shown on Exhibit A hereto. The Bonds shall be issued in fully registered form in the authorized denominations of \$40,000 principal amount or integral multiples thereof. The Bonds shall bear interest from the date thereof at the rate shown on Exhibit A hereto (the “**Supplemental Coupon**”) and such interest shall be payable on

each March 15, June 15, September 15 and December 15 to maturity, commencing _____ 15, 20__.

The Bonds shall include a component relating to principal payment (the “**Principal Component**”) and a component relating to the tax credits (the “**Tax Credit Component**”), which the owners of the Bonds will be allowed under the Code on each tax credit allowance date permitted by the Code against federal income tax liability (each, a “**Tax Credit Allowance Date**”). The Bonds shall be issued in a form that, at the option of the owners of the Bonds, permits the ownership of the Principal Component and the Tax Credit Component of a Bond to be separated or “stripped” from such Bond. Upon any such separation, the Principal Component and the Tax Credit Component shall be evidenced by principal strip certificates (the “**Principal Strip Certificates**”) and tax credit certificates (the “**Tax Credit Certificates**”), each of which shall be separately registered. If separated, Principal Strip Certificates shall be executed and delivered in denominations of \$40,000 principal amount or integral multiples thereof and Tax Credit Certificates shall be executed and delivered in denominations of an amount equal to twenty-five percent (25%) of the product of (i) \$40,000 and (ii) the Tax Credit Rate, or any integral multiple thereof, except that the authorized denomination for Tax Credit Certificates with respect to the first Tax Credit Allowance Date shall be pro rated by the number of days from the date of initial issuance and delivery of the Bonds to the first Tax Credit Allowance Date. The owner of the Principal Strip Certificates shall be entitled to the interest payments of the Supplemental Coupon related thereto. In addition, the owner of a Principal Strip Certificate and the requisite number of Tax Credit Certificates shall be entitled to recombine such Principal Strip Certificate and Tax Credit Certificates into unstripped Bonds in accordance with the Tax Credits Separation Certificate relating to the Bonds (the “**Tax Credits Separation Certificate**”), to be executed by the District and the County on the date of delivery of the Bonds.

On the Tax Credit Conversion Date (as defined below), if any, the Bonds shall be converted, in whole or in part, into bonds (“**Interest Bearing Bonds**”) that, in lieu of providing the owner thereof tax credits, bear interest (in addition to the Supplemental Coupon) at the Tax Credit Rate (the “**Cash Interest Payments**”), payable on each March 15, June 15, September 15 and December 15 to maturity, commencing on the March 15, June 15, September 15 or December 15 immediately following the Tax Credit Conversion Date, in accordance with the Tax Credits Separation Certificate. The Bonds shall be issued in a form that, at the option of the owners of the Bonds, permits the ownership of the Principal Component and the Cash Interest Payments of an Interest Bearing Bond to be separated from such Bond and evidenced by Principal Strip Certificates and cash interest certificates (the “**Cash Interest Certificates**”), and the ownership of Principal Strip Certificates and Cash Interest Certificates to be recombined into Interest Bearing Bonds in accordance with the Tax Credits Separation Certificate.

For purposes of the Resolutions (as defined below), the Tax Credits Separation Certificate and the Bonds, the term “**Tax Credit Conversion Date**” shall mean _____.

For purposes of the Resolutions, the Tax Credits Separation Certificate and the Bonds, the term “**Date of Determination of Loss of [Qualified School Construction Bond][Clean Renewable Energy Bond] Status**” shall mean _____.

For purposes of the Resolutions, the Tax Credits Separation Certificate and the Bonds, the term “**Determination of Loss of [Qualified School Construction Bond][Clean Renewable Energy Bond] Status**” shall mean _____.

For purposes of the Resolutions, the Tax Credits Separation Certificate and the Bonds, the term “**Accountable Event of Loss of [Qualified School Construction Bond][Clean Renewable Energy Bond] Status**” shall mean _____.

For purposes of the Resolutions, the Tax Credits Separation Certificate and the Bonds, the term “**Date of Loss of [Qualified School Construction Bond][Clean Renewable Energy Bond] Status**” shall mean _____.]

[The payment of principal or accreted value of and interest on the Bonds maturing on or after July 1, 20__ (collectively, the “**Insured Bonds**”) will be secured by a municipal bond insurance policy (the “**Insurance Policy**”) to be issued simultaneously with the issuance of the Bonds by _____ (the “**Bond Insurer**”).]

B. The Bonds shall otherwise be as described in, and shall be issued and secured pursuant to the provisions of (i) Section 1(b)(3) of Article XIII A of the State Constitution, Title 1, Division 1, Part 10, Chapters 1 and 1.5 of the California Education Code, as amended and other applicable law (collectively, the “**Bond Law**”), (ii) a Resolution of the Board of Education of the District (the “**Board of Education**”), adopted on _____, 2010 which authorizes the issuance of the Bonds and certain related documents and actions (the “**District Resolution**”), [and] (iii) a Resolution of the Board of Supervisors of the County (the “**Board of Supervisors**”), adopted on _____, 2010, and authorizing the issuance of the Bonds on behalf of the District and certain related documents and actions (the “**County Resolution**” and together with the District Resolution, the “**Resolutions**”)[, and (iv) the Tax Credits Separation Certificate].

C. Upon the written acceptance of this Purchase Agreement by the County and the District, the Representative, on behalf of the Underwriters, shall deliver, within twenty-four (24) hours of such acceptance, by federal funds wire transfer (to the County’s account at a bank having an office located in the State of California and having a demand account relationship with the County and payable in immediately available funds), for the account of the District, the amount of _____ Dollars (\$_____), as a good-faith deposit (“**Good Faith Deposit**”) for the performance by the Underwriters of their obligations to accept and pay for the Bonds at Closing (as defined herein) in accordance with the provisions of this Purchase Agreement. Upon receipt, such amount shall be held by the County pending Closing (except as provided below), although the proceeds thereof may be invested by the County and District pending the Closing. At the Closing, the Underwriters shall pay or cause to be paid the Purchase Price of the Bonds, less the amount of such Good Faith Deposit, without accrued interest, and

thereupon the County and the District shall apply the amount of the Good Faith Deposit, to the payment of the balance of such Purchase Price. In the event of the District's inability to deliver the Bonds at the Closing, or if the District or the County is unable to satisfy the conditions to the Underwriters' obligations contained herein (unless such conditions are waived by the Underwriters), or if the Underwriters' obligations shall be terminated for any reason permitted hereby, the County shall forthwith return the amount of the Good Faith Deposit to the Representative immediately and such return shall constitute a full release and discharge of all claims by the Underwriters against the County and the District arising out of the transactions contemplated by this Purchase Agreement. In the event that the Underwriters fail (other than for a reason permitted hereby) to accept and pay for the Bonds at the Closing as herein provided, the proceeds of the Good Faith Deposit, shall be retained and applied by the County and the District in full and complete liquidated damages (and not as a penalty) for such failure and as a discharge of all damages suffered on the part of the County and the District as a result of such failure.

D. The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement, the Bond Law and the Resolutions. The Bonds shall be in definitive form, shall bear CUSIP numbers and shall be in fully registered form, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC").

3. **Use of Documents.** The District and the County (as appropriate) hereby authorize the Underwriters to use, in connection with the offer and sale of the Bonds, the Resolutions, this Purchase Agreement[, the Tax Credits Separation Certificate], a Preliminary Official Statement and an Official Statement (both as defined herein), and all information contained herein and therein and all of the documents, certificates or statements furnished by the District or the County to the Underwriters in connection with the transactions contemplated by this Purchase Agreement.

4. **Public Offering of the Bonds.** The Underwriters agree to make a bona fide public offering of all the Bonds at the initial public offering prices or yields as set forth in Exhibit A hereto. Subsequent to such initial public offering, the Underwriters reserve the right to change such initial public offering prices or yields as they deem necessary in connection with the marketing of the Bonds.

5. **Review of Official Statement.**

A. The Underwriters hereby represent that they have received and reviewed the official statement in preliminary form with respect to the Bonds, dated _____, 2010 (the "**Preliminary Official Statement**"). The District represents that it has deemed the Preliminary Official Statement to be final as of its date, except for either revisions to or additions of the initial public offering prices, interest rates, yields, selling compensation, aggregate principal amount, principal amount per maturity, delivery date, ratings, credit enhancement and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to Rule 15c2-12 of the Securities and Exchange

Commission under the Securities and Exchange Act of 1934, as amended (“**Rule 15c2-12**”).

B. The Underwriters agree that prior to the time the final official statement (the “**Official Statement**”) relating to the Bonds is available, the Underwriters will make available to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) or electronic copy posted on an accessible website not later than the next business day following the date upon which each such request is received.

C. References herein to the Preliminary Official Statement and the Official Statement include the cover page through all appendices, exhibits, reports and statements included therein or attached thereto, as the same may be amended or supplemented from time to time.

6. **Closing.**

A. At 8:00 a.m., California Time, on _____, 2010, or at such other time or on such other date as shall have been mutually agreed upon by the parties hereto (the “**Closing**,” or the “**Closing Date**”), the District will direct the Treasurer and Tax Collector of the County (the “**Treasurer**”), as paying agent for the Bonds (the “**Paying Agent**”), to deliver to the account of the Representative, through the facilities of DTC in New York, New York, or at such other place as the District and the Underwriters may mutually agree upon, the Bonds duly executed and in fully registered, book-entry form, and will cause the other documents hereinafter mentioned pertaining to the Bonds to be delivered at the offices of Sidley Austin LLP, Bond Counsel to the District (“**Bond Counsel**”) in [Los Angeles], California or at such other place as shall have been mutually agreed upon by the parties hereto.

B. Upon fulfillment of all conditions to Closing herein, the Underwriters will accept such delivery and pay the Purchase Price thereof in immediately available funds (by check, wire transfer or such other manner of payment as the Underwriters and the Treasurer shall reasonably agree upon) to the order of the County and U.S. Bank National Association, as costs administrator, as provided by Section 1 hereof, less the Good Faith Deposit, as provided by Section 2 hereof.

7. **Representations, Warranties and Agreements of the District.** The District hereby represents, warrants and agrees with the Underwriters that:

A. The District is a unified school district validly existing under the laws of the State of California (the “**State**”), with the power to issue the Bonds pursuant to the Bond Law;

B. (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the District has full legal right, power and authority to execute and deliver this Purchase Agreement[, the Tax Credits Separation Certificate] and the Continuing Disclosure

Certificate (as defined below), to adopt the District Resolution, to issue and to deliver the Bonds and to perform its obligations under each such document or instrument (collectively, the “**District Documents**”), and to carry out and effectuate the transactions contemplated by the District Documents; (iii) the execution and delivery or adoption of, and the performance by the District of its obligations contained in, the Bonds and the other District Documents have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes, and each of the Bonds [(whether in the form of [Qualified School Construction Bonds][Clean Renewable Energy Bonds] or Principal Strip Certificates and Tax Credit Certificates separated therefrom or in the form of Interest Bearing Bonds or Principal Strip Certificates and Cash Interest Certificates separated therefrom)], when issued, authenticated, delivered and sold to the Underwriters as provided herein, and the other District Documents, when duly executed and delivered, will constitute, a valid and legally binding obligation of the District, enforceable against the District in accordance with its terms; and (v) the District has duly authorized the consummation by it of all transactions contemplated by the District Documents;

C. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriters may reasonably request, or which have not been taken or obtained; *provided, however*, that the District shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof;

D. The District is not in breach of or in default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would adversely affect the transactions contemplated hereby, a default or event of default by the District under any of the foregoing;

E. The issuance of the Bonds, the execution, delivery and performance of the District Documents, and the compliance with the provisions of the District Documents do not conflict with or result in on the part of the District a violation or breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or to which the District or any of its property or assets is otherwise subject, where such conflict, violation, breach or default, individually or in the aggregate, shall result in a material adverse change to the District that materially

and adversely affects the ability of the Underwriters to market the Bonds or enforce contracts of sale on the Bonds;

F. As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the District) or, to the best knowledge of the District, threatened against the District: (i) in any way affecting the existence of the District or in any way challenging the respective powers of the several offices or the titles of the officials of the District to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the District Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds or the other District Documents or contesting the powers of the District or its authority with respect to the Bonds or the other District Documents; (iii) contesting the completeness or accuracy of the Preliminary Official Statement; or (iv) in which a final adverse decision could (a) materially adversely affect the operations of the District or the consummation of the transactions contemplated by the District Documents, (b) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (c) [adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes or the exemption of the interest paid on the Bonds from State personal income taxation][adversely affect exemption of the interest paid on the Bonds from State personal income taxation][adversely affect the federal income tax consequences with respect to the income tax credits to be provided to the owners of the Bonds or adversely affect the exemption of the interest paid on the Bonds from State personal income taxation];

G. Between the date hereof and the Closing, without the prior written consent of the Underwriters, the District will not have issued in the name of the District any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement;

H. The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certificates may not be relied upon;

I. The Preliminary Official Statement was as of its date and as of the date hereof (excluding information permitted to be omitted pursuant to Rule 15c2-12), and the Official Statement is, and at all times subsequent to the date of the Official Statement (or in the case of any amendment to the Official Statement pursuant to Section 7. M. of this Purchase Agreement, at the date of the delivery of the Official Statement, as amended) up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement contain, and up to and including the Closing will contain, no untrue statement of any material fact and do not, and up to and including the Closing will not, omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. At the time of the Closing, there shall not have been any material adverse changes in the financial condition of the District since the date of the Official Statement;

J. To assist the Underwriters in complying with Rule 15c2-12, the District will undertake, pursuant to the District Resolution and the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will be set forth in the Official Statement. Except as disclosed in the Preliminary Official Statement, the District has never failed to comply with any prior disclosure undertakings pursuant to Rule 15c2-12;

K. Any certificates signed by any officer of the District and delivered to the Underwriters shall be deemed a representation and warranty by the District to the Underwriters, but not by the person signing the same in such person's individual capacity, as to the statements made therein;

L. Preparation and distribution of the Official Statement has been duly authorized by the District, and at the time of delivery of the Official Statement (or in the case of any amendment to the Official Statement pursuant to Section 7. M. of this Purchase Agreement, at the time of the delivery of the Official Statement, as amended) to the Underwriters and at all times subsequent thereto up to and including the Closing Date, the information contained therein (excluding the statements and information in Appendix E – "BOOK-ENTRY ONLY SYSTEM," [any information relating to the Bond Insurer or the Insurance Policy] and any information provided by the Underwriters in writing for inclusion in the Official Statement) will be true and correct in all material respects and such information will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

M. The District agrees that if at any time before the Closing any event occurs as a result of which the Official Statement as then in effect would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, then the District shall promptly prepare or cause to be prepared and furnish (at the expense of the District) an amendment or supplement to the Official Statement that will correct such statement or omission. The District will advise the Underwriters promptly of any proposal to so amend or supplement the Official Statement and will effect such amendment or supplement in a form and manner approved by the Underwriters;

N. The audited financial statements of the District for the fiscal year ended June 30, 2008 and the fiscal year ended June 30, 2009 (selected information from which is included as Appendix D to the Official Statement) were prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial position and results of operation of the District for the periods and at the dates set forth therein, and there has been no material adverse change in the business, affairs, financial position, results of operations or condition, financial or otherwise, of the District since the date of such financial statements, except as otherwise disclosed in the Official Statement; and

O. The District Resolution has been duly adopted, has not been modified, repealed or rescinded in any respect, and is in full force and effect.

8. **Representations, Warranties and Agreements of the County.** The County hereby represents, warrants and agrees with the Underwriters that:

A. The County has the power under the laws of the State to issue the Bonds pursuant to the Bond Law;

B. (i) At or prior to the Closing, the County will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds; (ii) the County has full legal right, power and authority to execute and deliver this Purchase Agreement [and the Tax Credits Separation Certificate,] to adopt the County Resolution, to issue and deliver the Bonds to the Underwriters on behalf of the District and to perform its obligations under each such document or instrument (collectively, the “**County Documents**”), and to carry out and effectuate the transactions contemplated by the County Documents; (iii) the execution and delivery or adoption of, and the performance by the County of its obligations contained in, the Bonds and the other County Documents have been duly authorized and such authorization shall be in full force and effect at the time of the Closing; (iv) this Purchase Agreement constitutes, and each of the County Documents, when duly executed and delivered in accordance with the County Resolution, will constitute, a valid and legally binding obligation of the County, enforceable against the County in accordance with its terms; and (v) the County has duly authorized the consummation by it of all transactions contemplated by the County Documents;

C. No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriters may reasonably request, or which have not been taken or obtained; *provided, however*, that the County shall not be required to subject itself to service of process in any jurisdiction in which it is not so subject as of the date hereof;

D. The County is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the County is a party or to which the County or any of its property or assets is otherwise subject, which breach or default would materially adversely affect the County’s ability to enter into or perform its obligations under this Agreement;

E. The issuance of the Bonds, the execution, delivery and performance of the County Documents and the Bonds, and the compliance with the provisions of the County

Documents do not conflict with or result in on the part of the County a violation or breach of, or default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the County is a party or to which the County or any of its property or assets is otherwise subject, where such conflict, violation, breach or default, individually or in the aggregate, shall result in a material adverse change to the County that materially and adversely affects the ability of the Underwriters to market the Bonds or enforce contracts of sale on the Bonds;

F. As of the time of acceptance hereof, to the best knowledge of the County, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the County) or threatened against the County: (i) in any way affecting the existence of the County or in any way challenging the respective powers of the several offices or the titles of the officials of the County to such offices; or (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds, or the levy of any taxes contemplated by the County Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds or the County Documents or contesting the powers of the County or its authority with respect to the Bonds or the County Documents; or (iii) in which a final adverse decision could (a) materially adversely affect the operations of the County or the consummation of the transactions contemplated by the County Documents or the Bonds or (b) declare the County Documents or the Bonds to be invalid or unenforceable in whole or in material part;

G. Between the date hereof and the Closing, without the prior written consent of the Underwriters, the County will not have issued in the name and on behalf of the District any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement;

H. Any certificates signed by any officer of the County and delivered to the Underwriters shall be deemed a representation and warranty by the County to the Underwriters, but not by the person signing the same in such person's individual capacity, as to the statements made therein; and

I. The County Resolution has been duly adopted, has not been modified, repealed or rescinded in any respect, and is in full force and effect.

9. **Covenants of the County and the District.** The County and the District respectively covenant and agree with the Underwriters that:

A. The County and the District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriters if and as the Underwriters may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations or such states and jurisdictions, provided, however, that the District and the County shall not be required to

consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

B. The District hereby agrees to deliver or cause to be delivered to the Underwriters, not later than the earlier of (i) the third (3rd) business day preceding the Closing Date or (ii) the seventh (7th) business day following the date this Purchase Agreement is signed, the Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriters, the County and the District, (a) in “designated electronic format” (as defined in Rule G-32 of the Municipal Securities Rulemaking Board), and (b) in printed form in such reasonable quantities as may be requested by the Underwriters in order to permit the Underwriters to comply with paragraph (b)(4) of Rule 15c2-12 and with the rules of the Municipal Securities Rulemaking Board;

C. The District hereby agrees to promptly notify the Underwriters of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the District until the date which is twenty-five (25) days following the Closing;

D. If at any time prior to the expiration of 25 days following the “end of the underwriting period” (as defined in Rule 15c2-12), any event known to the District or the County relating to or affecting the District, the County or the Bonds occurs which might cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, the District or the County will promptly notify the Underwriters in writing of the circumstances and details of such event. If, as a result of such event or any other event, it is necessary, in the reasonable opinion of Hawkins Delafield & Wood LLP, Disclosure Counsel to the District (“**Disclosure Counsel**”), or the Underwriters, to amend or supplement the Official Statement so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and if either shall have so advised the District, the District will forthwith cooperate with the Underwriters in the prompt preparation and furnishing to the Underwriters, at the expense of the District, of a reasonable number of copies of an amendment of or a supplement to the Official Statement, in form and substance satisfactory to the Underwriters, which will so amend or supplement the Official Statement so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The District and the County will presume that unless otherwise notified in writing by the Underwriters, the end of the underwriting period will occur on the date of delivery of the Bonds; and

E. To assist the Underwriters in complying with Rule 15c2-12 and for the benefit of the holders and beneficial owners of the Bonds, the District will undertake to

provide annual reports and notices of certain events pursuant to a continuing disclosure certificate dated the date of Closing (the “**Continuing Disclosure Certificate**”).

10. **Representations, Warranties and Agreements of the Underwriters.** The Underwriters represent to and agree with the District and the County that, as of the date hereof and as of the date of Closing:

A. The Representative is duly authorized and has been duly authorized by the Underwriters, pursuant to an agreement among the Underwriters (the “AAU”), to execute this Purchase Agreement, to act hereunder on behalf of the Underwriters and to take all actions, and waive any condition or requirement, required or permitted to be taken or waived hereunder by the Representative or the Underwriters; and

B. Based on representations in the AAU, the Underwriters have, and have had, no financial advisory relationship (as such term is defined in California Government Code Section 53590) with the District or the County with respect to the Bonds, and no investment firm controlling, controlled by or under common control with any of the Underwriters has or has had any such financial advisory relationship (as such term is defined in California Government Code Section 53590).

11. **Division of Responsibility Between District and County.** It is specifically acknowledged and agreed by and between the District and the County that the County shall have no responsibility or liability to ensure or provide compliance with those provisions of this Purchase Agreement which are to be performed solely by the District and the District shall have no responsibility or liability to ensure or provide compliance with those provisions of this Purchase Agreement which are to be performed solely by the County.

12. **Conditions to Closing.** The Underwriters have entered into this Purchase Agreement in reliance upon the representations and warranties of the County and the District contained herein and the performance by the District and the County of their respective obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriters’ obligations under this Purchase Agreement are and shall be subject, at the option of the Underwriters, to the following further conditions at the Closing:

A. The representations and warranties of the District and the County contained herein shall be true, complete and correct at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriters at the Closing pursuant hereto shall be true, complete and correct on the date of the Closing; and the District and the County shall be in compliance with each of the respective agreements made by them in this Purchase Agreement;

B. At the time of the Closing, (i) the District Documents and the County Documents shall be in full force and effect and the Resolutions and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the parties hereto; (ii) all actions under the Bond Law which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions

contemplated hereby, shall have been duly taken and shall be in full force and effect; (iii) the District and the County shall have adopted, and there shall be in full force and effect such additional resolutions, agreements, opinions and certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order [to establish the tax exempt character of the interest on the Bonds][to establish the status of the Bonds as “Build America Bonds” under the Code][to establish the status of the Bonds as [“qualified school construction bonds”][“clean renewable energy bonds”] under the Code]), which resolutions, agreements, opinions and certificates shall be satisfactory in form and substance to Bond Counsel to the District and to the Underwriters, and there shall have been taken in connection therewith and in connection with the execution and delivery of the Bonds all such actions as shall, in the reasonable opinion of each, be necessary in connection with the transactions contemplated hereby; (iv) all actions under the Resolutions which, in the opinion of Bond Counsel to the District, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; (v) the Bonds shall have been duly authorized, executed and delivered; and (vi) the District and the County shall perform or have performed all of their respective obligations required under or specified in the District Documents and the County Documents to be performed at or prior to the Closing;

C. No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on appeal or otherwise set aside), or to the best knowledge of the County or the District, be pending (in which service of process has been completed against the County or the District) or threatened which has any of the effects described in Section 7. F. or 8. F. hereof or contests in any way the completeness or accuracy of either of the Official Statement;

D. Between the date hereof and the Closing, the market for or the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected by reason of any of the following:

(1) legislation enacted by the Congress of the United States, or by the legislature of the State, or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences [with respect to the income tax credits provided by] or State tax consequences of interest on obligations of the general character of the Bonds [(whether in the form of [Qualified School Construction Bonds][Clean Renewable Energy Bonds] or Principal Strip Certificates and Tax Credit Certificates separated

therefrom or in the form of Interest Bearing Bonds or Principal Strip Certificates and Cash Interest Certificates separated therefrom)] in the hands of the holders thereof; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds [(whether in the form of [Qualified School Construction Bonds][Clean Renewable Energy Bonds] or Principal Strip Certificates and Tax Credit Certificates separated therefrom or in the form of Interest Bearing Bonds or Principal Strip Certificates and Cash Interest Certificates separated therefrom)], or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Resolutions [and the Tax Credits Separation Certificate] are not exempt from qualification under the Trust Indenture Act of 1939, as amended;

(2) the declaration of war or engagement in major military hostilities or escalation of hostilities by the United States or the occurrence of any other national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue or a determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction, or a material disruption in commercial banking or securities settlement or clearance services shall have occurred;

(4) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or obligations of the general character of the Bonds, or securities generally, or the material increase of any such restrictions now in force;

(5) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds [(whether in the form of [Qualified School Construction Bonds][Clean Renewable Energy Bonds] or Principal Strip Certificates and Tax Credit Certificates separated therefrom or in the form of Interest Bearing Bonds or Principal Strip Certificates and Cash Interest Certificates separated therefrom)], or the issuance, offering or sale of the Bonds [(whether in the form of [Qualified School Construction

Bonds][Clean Renewable Energy Bonds] or Principal Strip Certificates and Tax Credit Certificates separated therefrom or in the form of Interest Bearing Bonds or Principal Strip Certificates and Cash Interest Certificates separated therefrom)], as contemplated hereby or by the Official Statement, is or would be in violation of the Federal securities laws, as amended and then in effect or any proceeding shall have been commenced, against the District or the County, in connection with Bonds or obligations of the general character of the Bonds of the District or the County, by the Securities and Exchange Commission or other governmental agency having jurisdiction over the issue, offering or sale thereof;

(6) any rating of the Bonds or other debt obligations of the District [or the Bond Insurer] has been downgraded, suspended or withdrawn by a national rating service or a negative qualification (e.g., “credit watch” or “negative outlook” designation) or other announcement made by a national rating service that the Bonds or other debt obligations of the District [or the Bond Insurer] are under review without indication of a potentially favorable result, which, in the reasonable opinion of the Representative, materially adversely affects the marketability or market price of the Bonds;

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue in any material adverse respect any statement or information set forth in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(8) a material disruption in securities settlement, payment or clearance services affecting the Bonds; or

(9) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the District.

E. At or prior to the date of the Closing, the Underwriters shall have received the following documents, in each case dated as of the Closing Date unless otherwise specified herein and satisfactory in form and substance to the Underwriters:

(1) The approving opinion of Bond Counsel with respect to the Bonds, dated the Closing Date and addressed to the District, substantially in the form attached as Appendix F to the Preliminary Official Statement;

(2) A reliance letter from Bond Counsel to the effect that the Underwriters may rely upon the approving opinion of Bond Counsel described in E. (1) above;

(3) A supplemental opinion of Bond Counsel in a form acceptable to the Underwriters, dated the Closing Date and addressed to the Underwriters, to the effect that:

(i) this Purchase Agreement and the Continuing Disclosure Certificate have been duly authorized, executed and delivered by the District and, assuming due authorization, execution and delivery by the other parties thereto, if any, constitute valid and binding obligations of the District, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, arrangement, moratorium and other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles (regardless of whether such enforceability is considered in equity or at law), to the exercise of judicial discretion in appropriate cases and the limitation on legal remedies against school districts in the State;

(ii) the statements contained in the Preliminary Official Statement and the Official Statement on the cover and in the sections entitled: "INTRODUCTION – Authority and Purpose for Issuance of the Bonds," "– Security and Sources of Payment for the Bonds and "– Tax Matters"; "PLAN OF FINANCE AND REFUNDING – Measure K Authorization," "– Measure R Authorization," and "– Measure Y Authorization"; "THE BONDS"; "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – General Description"; "TAX MATTERS RELATING TO THE BONDS" and "APPENDIX F – PROPOSED FORM OF OPINION OF BOND COUNSEL" insofar as such statements purport to expressly summarize certain provisions of the Resolutions, the Bonds and the opinion of Bond Counsel with respect to the Bonds present a fair and accurate summary of such matters and opinions; and

[(ii) the statements contained in the Preliminary Official Statement and the Official Statement in the sections entitled: "INTRODUCTION – Authority and Purpose for Issuance of the Tax Credit Bonds," "– Security and Sources of Payment for the Tax Credit Bonds," "– Description of the Tax Credit Bonds" and "– Tax Matters"; "PLAN OF FINANCE"; "THE TAX CREDIT BONDS"; "SECURITY AND SOURCES OF PAYMENT FOR THE TAX CREDIT BONDS – General Description"; "TAX MATTERS" and "APPENDIX F – PROPOSED FORM OF OPINION OF BOND COUNSEL" insofar as such statements purport to expressly summarize certain provisions of the Resolutions, the Bonds, the Tax Credit Separation Certificate and the opinion of Bond Counsel with respect to the Bonds present a fair and accurate summary of such matters and opinions; and]

(iii) the Bonds [(whether in the form of [Qualified School Construction Bonds][Clean Renewable Energy Bonds] or Principal Strip Certificates and Tax Credit Certificates separated therefrom or in the form of Interest Bearing Bonds or Principal Strip Certificates and Cash Interest Certificates separated therefrom)] are [exempt from][are not subject to]

registration pursuant to the Securities Act of 1933, as amended, and the Resolutions [and the Tax Credits Separation Certificate] are exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended]; provided that no opinion need be expressed with respect to the Insurance Policy];

(4) A certificate signed by an appropriate official of the District to the effect that (i) such official is authorized to execute this Purchase Agreement[, the Tax Credit Separation Certificate], the Official Statement and the Continuing Disclosure Certificate, (ii) the representations, agreements and warranties of the District herein are true and correct as of the date of Closing, (iii) the District has complied with all the terms of the District Documents to be complied with by the District prior to or concurrently with the Closing and the District Documents are in full force and effect, (iv) no litigation is pending (with service of process having been accomplished) or, to the best of the District's knowledge, threatened (either in state or federal courts): (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds[, the Tax Credit Separation Certificate], the Official Statement, the Continuing Disclosure Certificate or this Purchase Agreement, or (C) in any way contesting the existence or powers of the District; (v) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, (vi) each of the conditions listed in Section 12 of this Purchase Agreement required to be satisfied by the District has been satisfied on the date thereof and the District is not aware of any other condition of this Purchase Agreement that has not been satisfied on the date thereof, and (vii) the Bonds being delivered on the date of the Closing to the Underwriters under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolutions[, the Tax Credit Separation Certificate], the Official Statement and this Purchase Agreement;

(5) [The Tax Credits Separation Certificate signed by an appropriate official of the District and by an appropriate official of the County and in form and substance reasonably satisfactory to the Underwriters;]

(6) The Continuing Disclosure Certificate signed by an appropriate official of the District and in form and substance reasonably satisfactory to the Underwriters;

(7) A certificate signed by an appropriate official of the County to the effect that (i) such official is authorized to execute and to approve this Purchase Agreement, (ii) the representations, agreements and warranties of the County herein are true and correct as of the date of Closing, (iii) the County has complied with all the terms of the County Documents to be complied with by the County prior to or concurrently with the Closing, (iv) to the best of the County's

knowledge, no litigation is pending (with service of process having been accomplished) or threatened (either in state or federal courts): (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds[, the Tax Credit Separation Certificate] or this Purchase Agreement, or (C) in any way contesting the existence or powers of the County, (v) such official has reviewed “APPENDIX [I][H] – LOS ANGELES COUNTY TREASURY POOL” to the Preliminary Official Statement and the Official Statement and on such basis certifies that “APPENDIX [I][H] – LOS ANGELES COUNTY TREASURY POOL” to the Preliminary Official Statement and the Official Statement do not contain any untrue statements of a material fact or omit to state a material fact concerning the County required to be stated therein or necessary to make the statements concerning the County therein, in light of the circumstances in which they were made, not misleading, (vi) each of the conditions listed in Section 12 of this Purchase Agreement required to be satisfied by the County has been satisfied on the date thereof and the County is not aware of any other condition of this Purchase Agreement that has not been satisfied on the date thereof, and (vii) the Bonds being delivered on the date of the Closing to the Underwriters under this Purchase Agreement substantially conform to the descriptions thereof contained in the County Resolution and this Purchase Agreement;

(8) A certificate of the Paying Agent, or its agent, as applicable, dated the date of the Closing, signed by a duly authorized officer of the Paying Agent, or its agent, as applicable, and in form and substance satisfactory to the Underwriters;

(9) A tax certificate of the District in form satisfactory to Bond Counsel with respect to the Bonds;

(10) [Evidence satisfactory to the Underwriters of the formal election by the District to designated the Bonds as “Build America Bonds” pursuant to Section 54AA of the Code][Evidence satisfactory to the Underwriters of the formal election by the District to designated the Bonds as [“qualified school construction bonds”][“clean renewable energy bonds”] pursuant to Section [54F][54C] of the Code];

(11) [Evidence satisfactory to the Underwriters that the Insured Bonds shall have been rated “___” by Standard & Poor’s Ratings Services and “___” by Moody’s Investors Service (or such other equivalent rating as such rating agencies may give) and that the uninsured ratings on the Bonds shall have been rated “___” by Standard & Poor’s Ratings Services and “___” by Moody’s Investors Service (or such other ratings as such rating agencies may assign so long as such rating is in the investment grade category of each rating agency) and that such ratings have not been revoked or downgraded];

(12) The opinion of General Counsel to the District, addressed to the District, the County and the Underwriters, dated the Closing Date, to the effect that:

(i) the District is a unified school district validly existing under the Constitution and the laws of the State;

(ii) the District has the full right and lawful authority to enter into and perform its duties and obligations under the District Documents and to authorize the sale of the Bonds;

(iii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or public body, pending, or to such counsel's knowledge, threatened against the District contesting in any way the completeness or accuracy of the Official Statement or the due adoption of the District Resolution, and there is no breach or default by the District under any other instruments which is caused by the issuance of the Bonds or the execution and delivery of this Purchase Agreement or the Continuing Disclosure Certificate;

(iv) General Counsel to the District is not representing the District in connection with any litigation of any nature to restrain or enjoin the execution, delivery or performance of the District Documents, the Bonds or any of the proceedings taken with respect to the issuance of the Bonds, the application of monies to the payment of the Bonds or in any manner questioning the proceedings and authority under which the Bonds were authorized or challenging the validity of the Bonds, the existence or boundaries of the District or the title of the officials of the District who have acted with respect to the proceedings for the issuance of the Bonds on behalf of the District to their respective offices; and

(v) the Official Statement has been duly approved by the District;

(13) The opinion of County Counsel for the County ("**County Counsel**"), as counsel to the Board of Supervisors, addressed to the County, the District and the Underwriters, dated the Closing Date, to the effect that:

(i) the County is a political subdivision of the State, duly organized and validly existing under the Constitution and the laws of the State;

(ii) the County Resolution approving and authorizing the execution and delivery of this Purchase Agreement [and the Tax Credits Separation Certificate] and the sale and issuance of the Bonds was duly adopted at a meeting of the Board of Supervisors, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption, and the

County Resolution has not been modified, amended, rescinded or revoked and is in full force and effect on the date thereof;

(iii) to the best knowledge of County Counsel, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public authority or body, pending or threatened against the County in which service of process has been completed (a) affecting the existence of the County or the titles of its officers who have acted with respect to the proceedings for issuance and sale of the Bonds to their respective offices; (b) seeking to prohibit, restrain or enjoin the execution, delivery or performance of this Purchase Agreement [or the Tax Credits Separation Certificate] or the issuance of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds or the County Documents; (c) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under the County Documents; or (d) seeking to restrain or enjoin the levy or collection of tax revenues pledged for payment of the Bonds, or the application thereof to such payment; and

(iv) this Purchase Agreement [and the Tax Credits Separation Certificate] [has][have] been duly authorized, executed and delivered by the County and the Bonds have been duly authorized by the County, executed by the County on behalf of the District and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, this Purchase Agreement [and the Tax Credits Separation Certificate] [constitutes][constitutes] [a] legal, valid and binding [obligation][obligations] of the County enforceable against the County in accordance with [its][their] terms;

provided that any County Counsel opinions regarding the enforcement of the County Documents and the Bonds may be expressly limited by the effect of bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought and by the limitations on legal remedies imposed on actions against counties in the State;

(14) The opinion of Orrick, Herrington & Sutcliffe LLP, counsel for the Underwriters ("**Underwriters' Counsel**"), dated the date of Closing and addressed to the Underwriters, satisfactory in form and substance to the Underwriters;

(15) The opinion of Disclosure Counsel substantially in the form attached hereto as Exhibit B, subject to the satisfaction of the Underwriters, dated the date of Closing and addressed to the District and a reliance letter from Disclosure Counsel addressed to the Underwriters to the effect that the Underwriters may rely upon the opinion of Disclosure Counsel;

(16) A certificate, together with a fully executed copy of the District Resolution, of the Executive Officer of the Board of Education to the effect that:

(i) such copy is a true and correct copy of such District Resolution; and

(ii) that the District Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the date of the Closing;

(17) An original or copy of the County Resolution, certified by the Executive Officer - Clerk of the Board of Supervisors;

(18) A certificate of the appropriate official of the District evidencing the District's determination respecting the Preliminary Official Statement in accordance with Rule 15c2-12;

(19) [The Insurance Policy;]

(20) [A certificate of the Bond Insurer in form and substance satisfactory to Bond Counsel, County Counsel and the Underwriters;]

(21) [An opinion of counsel to the Bond Insurer addressed to the District, the County and the Underwriters in form and substance satisfactory to Bond Counsel, County Counsel and the Underwriters;];

(22) A transcript of all proceedings relating to the authorization, issuance and delivery of the Bonds; and

(23) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriters may reasonably request to evidence compliance (i) by the County, the District and the Paying Agent (and its agent, if applicable) with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the County and the District herein contained, and (iii) the due performance or satisfaction by the County, the District and the Paying Agent (and its agent, if applicable) at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by them.

If the County and/or the District shall be unable to satisfy the conditions to the Underwriters' obligations contained in this Purchase Agreement or if the Underwriters' obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Underwriters at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the County and the District in writing, or by telephone or electronic communication, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the County and the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Representative in writing at its sole discretion.

13. **Conditions to Obligations of the County and the District.** The performance by the County and the District of their obligations is conditioned upon (i) the performance by the Underwriters of their obligations hereunder and (ii) receipt by the District and the Underwriters of opinions and certificates being delivered at the Closing by persons and entities other than the County and the District.

14. **Expenses.** On the Closing Date, the Underwriters will wire \$_____ from the proceeds of the [Measure K Series E] Bonds [and \$_____ from the proceeds of the Measure R Series J Bonds] and as a portion of the Purchase Price of the Bonds as provided in Section 1 hereof to U.S. Bank National Association, as costs administrator, to be used to pay costs of issuance of the Bonds, including, but not limited to the following at the direction of the District: (i) the costs of the preparation and reproduction of the Resolutions; (ii) the fees and disbursements of Bond Counsel, Disclosure Counsel and Underwriters' Counsel; (iii) the cost of the preparation, printing and delivery of the Bonds; (iv) the fees for Bond ratings, including all necessary expenses for travel outside of California; (v) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement, and any supplement or amendment thereto; (vi) the initial fees of the Paying Agent; (vii) [the premium for the Insurance Policy;] and (viii) all other fees and expenses incident to the issuance and sale of the Bonds or the performance of its obligations hereunder. All out-of-pocket expenses of the Underwriters, including California Debt and Investment Advisory Commission fees, CUSIP Service Bureau registration fees, Municipal Securities Rulemaking Board fees, expenses for travel and other expenses of the Underwriters, shall be paid by the Underwriters; provided, however, that (i) the District shall pay for expenses incurred on behalf of the District employees in connection with implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees, if any, and (ii) if: (A) the Bonds are not delivered to the Underwriters by the District (unless such delivery is prevented by the Underwriters' default under this Purchase Agreement, in which case the Underwriters shall pay such costs and expenses); (B) the District is unable to satisfy the conditions in Section 12: or (C) the District is unable to fulfill their obligations set forth in this Purchase Agreement, the District shall reimburse the Underwriters for all of the foregoing expenses.

15. **Terms and Conditions of Bonds.** By executing this Purchase Agreement, the Treasurer is exercising the authority granted to him under the County Resolution to determine the terms of the Bonds (which terms are set forth in Exhibit A hereto).

16. **Notices.** Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the County, to the Treasurer and Tax Collector of the County of Los Angeles at 437 Kenneth Hahn Hall of Administration, 500 West Temple Street, Los Angeles, California 90012; if to the District, to the Chief Financial Officer of the Los Angeles Unified School District, 333 S. Beaudry Avenue, 26th Floor, Los Angeles, California 90017, or if to the Underwriters, to _____, _____, _____, California _____, Attention: _____.

17. **Severability.** In the event any provision of this Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

18. **Parties in Interest; Survival of Representations and Warranties.** This Purchase Agreement when accepted by the County and the District in writing as heretofore specified shall constitute the entire agreement among the County, the District and the Underwriters with respect to the Bonds. This Purchase Agreement is made solely for the benefit of the County, the District and the Underwriters (including the successors or assigns of the Underwriters). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the County and the District in this Purchase Agreement shall survive, unless waived by the Underwriters, regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriters, (b) delivery of and payment by the Underwriters for the Bonds hereunder and (c) any termination of this Purchase Agreement.

19. **Execution in Counterparts.** This Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

[Remainder of this page intentionally left blank]

20. **Applicable Law.** This Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State applicable to contracts made and performed in such State.

Very truly yours,

_____, on its own behalf and as
representative of _____,
_____, _____,
_____ and _____

By: _____
_____, as Representative

The foregoing is hereby agreed to
and accepted as of the date first
above written:

COUNTY OF LOS ANGELES

By: _____
Treasurer and Tax Collector

Approved as to form:

ROBERT E. KALUNIAN
Acting County Counsel

By: _____
Principal Deputy County Counsel

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Chief Financial Officer

EXHIBIT A

MATURITY SCHEDULES AND REDEMPTION PROVISIONS

\$ _____
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
General Obligation Bonds,
Election of 2002, Series E (2010)
(Tax-Exempt)

\$ _____
Measure K Series E Current Interest Bonds

\$ _____ Serial Bonds

<u>Maturity</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>
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_____ C – Yield to first optional call.

\$ _____ % Term Bonds due July 1, 20__ – Price or Yield _____ %

\$ _____
Measure K Series E Capital Appreciation Bonds

<u>Maturity</u> <u>(July 1)</u>	<u>Initial Principal</u> <u>Amount</u>	<u>Accretion</u> <u>Rate</u>	<u>Maturity</u> <u>Value</u>	<u>Reoffering</u> <u>Yield</u>
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\$ _____
Measure K Series E Convertible Capital Appreciation Bonds

<u>Maturity</u> (July 1)	<u>Initial Principal</u> <u>Amount</u>	Accretion Rate to (but excluding) Conversion <u>Date</u>	Conversion <u>Date</u>	Interest Rate from and after Conversion <u>Date</u>	Stated Value at Conversion <u>Date</u>	Reoffering <u>Yield</u>
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\$ _____
LOS ANGELES UNIFIED SCHOOL DISTRICT
 (County of Los Angeles, California)
General Obligation Bonds,
Election of 2004, Series J (2010)
 (Tax-Exempt)

\$ _____
Measure R Series J Current Interest Bonds

\$ _____ Serial Bonds

<u>Maturity</u> (July 1)	<u>Principal</u> <u>Amount</u>	Interest <u>Rate</u>	Price or <u>Yield</u>
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_____ C – Yield to first optional call.

\$ _____ % Term Bonds due July 1, 20__ – Price or Yield _____ %

\$ _____
Measure R Series J Capital Appreciation Bonds

Maturity (<u>July 1</u>)	Initial Principal <u>Amount</u>	Accretion <u>Rate</u>	Maturity <u>Value</u>	Reoffering <u>Yield</u>
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\$ _____
Measure R Series J Convertible Capital Appreciation Bonds

Maturity (<u>July 1</u>)	Initial Principal <u>Amount</u>	Accretion Rate to (but excluding) Conversion <u>Date</u>	Conversion <u>Date</u>	Interest Rate from and after Conversion <u>Date</u>	Stated Value at Conversion <u>Date</u>	Reoffering <u>Yield</u>
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REDEMPTION PROVISIONS

[EXHIBIT A]

MATURITY SCHEDULE AND REDEMPTION PROVISIONS

\$ _____
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
General Obligation Bonds
Series KRY (2010)
(Federally Taxable Build America Bonds)

\$ _____ Serial Bonds

Maturity (<u>July 1</u>)	Principal <u>Amount</u>	Interest <u>Rate</u>	Price or <u>Yield</u>
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C – Yield to first optional call.

\$ _____ % Term Bonds due July 1, 20__ – Price or Yield _____%

REDEMPTION PROVISIONS

[EXHIBIT A]

MATURITY SCHEDULE AND REDEMPTION PROVISIONS

\$ _____
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
General Obligation Bonds
Election of 2005, Series I (2010)
Qualified School Construction Bonds
(Tax Credit Bonds)

<u>Maturity</u> <u>Date</u> <u>(September 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Tax Credit</u> <u>Rate</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>
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REDEMPTION PROVISIONS

[EXHIBIT A]

MATURITY SCHEDULE AND REDEMPTION PROVISIONS

\$ _____
LOS ANGELES UNIFIED SCHOOL DISTRICT
(County of Los Angeles, California)
General Obligation Bonds
Election of 2005, Series J (2010)
Clean Renewable Energy Bonds
(Tax Credit Bonds)

<u>Maturity</u> <u>Date</u> <u>(September 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Tax Credit</u> <u>Rate</u>	<u>Interest</u> <u>Rate</u>	<u>Price or</u> <u>Yield</u>
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REDEMPTION PROVISIONS

EXHIBIT B

FORM OF OPINION OF DISCLOSURE COUNSEL

_____, 2010

Board of Education
Los Angeles Unified School District
Los Angeles, California

Ladies and Gentlemen:

TAX CREDITS SEPARATION CERTIFICATE

This Tax Credits Separation Certificate dated February __, 2010 (the “Tax Credits Separation Certificate”) is executed and delivered by the Los Angeles Unified School District (the “District”) and the County of Los Angeles (the “County”) in connection with the issuance of the Los Angeles Unified School District General Obligation Bonds Election of 2005, Series I (2010) Qualified School Construction Bonds (Tax Credit Bonds) (the “Qualified School Construction Bonds”). The Qualified School Construction Bonds are being issued pursuant to a resolution adopted by the Board of Supervisors of the County on January __, 2010 (the “County Resolution”), at the request of the Board of Education of the District by its resolution adopted on January 12, 2010 (the “District Resolution” and, together with the County Resolutions, the “Resolutions”). The District and the County covenant and agree as follows:

Section 1. Purpose of the Tax Credits Separation Certificate. Pursuant to the Resolutions and this Tax Credits Separation Certificate, the District and the County have caused the Qualified School Construction Bonds to be issued in a form that permits the separation, under the Tax Credit Program, of the ownership of the Principal Component of a Qualified School Construction Bond from the entitlement of the Owner thereof to the related Tax Credits. This Tax Credits Separation Certificate provides for the terms and conditions pursuant to which: (i) the ownership of the Principal Component of a Qualified School Construction Bond may be separated from the ownership of the related Tax Credit Component; (ii) the ownership of the Principal Component of an Interest Bearing Bond may be separated from the ownership of the related Cash Interest Payment Component; (iii) the ownership of Principal Strip Certificates and Tax Credit Certificates may be recombined into Qualified School Construction Bonds; (iv) the ownership of Principal Strip Certificates and Cash Interest Certificates may be recombined into Interest Bearing Bonds; and (v) Qualified School Construction Bonds may be converted into Interest Bearing Bonds.

Section 2. Definitions. In addition to the definitions set forth in the Resolutions, which shall apply to any capitalized term used in this Tax Credits Separation Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Accountable Event of Loss of Qualified School Construction Bond Status” means (a) any act or any failure to act on the part of the District constituting a breach of a covenant or agreement of the District contained in the Resolutions or the related Tax Credits Separation Certificate which causes the Qualified School Construction Bonds issued as tax credit bonds to lose their status, or fail to qualify, as “qualified school construction bonds” within the meaning of Section 54F of the Code, (b) the making by the District of any representation contained in the Resolutions or the related Tax Credits Separation Certificate which was untrue when made and the untruth of which representation at such time causes the Qualified School Construction Bonds issued as tax credit bonds to lose their status, or fail to qualify, as “qualified school construction bonds” within the meaning of Section 54F of the Code, or (c) any other event as may be provided in a Bond Purchase Agreement with respect to the Qualified School Construction Bonds.

“Authorized Denomination” means (i) with respect to Qualified School Construction Bonds and Principal Strip Certificates thereof, \$40,000 or any integral multiple thereof; (ii) with respect to Interest Bearing Bonds prior to any separation of Cash Interest Payment Components from the Principal Component thereof, \$5,000 or any integral multiple thereof; (iii) with respect to Interest Bearing Bonds and the Principal Strip Certificates thereof subsequent to any separation of the Cash Interest Payment Components from the Principal Component thereof, \$40,000 or any integral multiple thereof; (iv) with respect to Tax Credit Certificates and Cash Interest Certificates for any single Tax Credit Allowance Date, \$_____, which is an amount equal to twenty-five percent (25%) of the product of (A) \$40,000 and (B) the Tax Credit Rate, or any integral multiple thereof; provided, however that the Authorized Denomination for Tax Credit Certificates with respect to the first Tax Credit Allowance Date shall be \$_____ .

“Bond Proceeds” means the proceeds from the sale of the Qualified School Construction Bonds, exclusive of any premium and accrued interest received, deposited in the County treasury and credited to the Building Fund of the District.

“Bond Purchase Agreement” means the Bond Purchase Agreement dated [February __, 2010] by and among the County, the District and Goldman, Sachs & Co., as representative of the underwriters named therein relating to the Qualified School Construction Bonds.

“Book-Entry Bonds” means the Qualified School Construction Bonds and Interest Bearing Bonds registered in the name of the nominee of DTC, or any successor securities depository for the Qualified School Construction Bonds and Interest Bearing Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 17 of this Tax Credits Separation Certificate.

“Cash Interest Certificates” means the certificates executed and delivered in accordance with the Resolutions and Section 7 of this Tax Credits Separation Certificate, from and after a Tax Credit Conversion Date, which certificates evidence the entitlement of the Owner thereof to the Cash Interest Payment Components with respect to any Qualified School Construction Bond that has been converted into an Interest Bearing Bond, the Cash Interest Payment Components related to which has been separated therefrom pursuant to the Resolutions and the Tax Credits Separation Certificate. The maximum face amount of Cash Interest Certificates with respect to any single Cash Interest Payment Date shall not exceed \$_____ (being twenty-five percent (25%) of the product of (i) the maximum principal amount of Interest Bearing Bonds, or \$_____, and (ii) the Tax Credit Rate).

“Cash Interest Payment Component” means, with the exception of the cash interest payments relating to the Supplemental Coupon, any cash interest payment with respect to any Interest Bearing Bond.

“Cash Interest Payment Date” means, with respect to Interest Bearing Bonds and Cash Interest Certificates, March 15, June 15, September 15 and December 15 in each year commencing on the March 15, June 15, September 15 or December 15 immediately following a Tax Credit Conversion Date during which the Interest Bearing Bonds are outstanding.

“Code” means the Internal Revenue Code of 1986, as amended.

“Date of Determination of Loss of Qualified School Construction Bond Status” means the date on which the Internal Revenue Service or a court of competent jurisdiction has issued to the District a Determination of Loss of Qualified School Construction Bond Status.

“Date of Loss of Qualified School Construction Bond Status” means the date specified in a Determination of Loss of Qualified School Construction Bond Status as the date from and after which the Qualified School Construction Bonds lost their status, or failed to qualify, as “qualified school construction bonds” as defined in Section 54F of the Code as a result of an Accountable Event of Loss of Qualified School Construction Bond Status, which date could be as early as the date of initial issuance and delivery of the Qualified School Construction Bonds.

“Determination of Loss of Qualified School Construction Bond Status” means (i) a final determination by the IRS (after the District has exhausted or waived all administrative appeal remedies) determining that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status and the amount of Qualified School Construction Bonds that are subject to the Accountable Event of Loss of Qualified School Construction Bond Status, or (ii) a non-appealable holding by a court of competent jurisdiction holding that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status and the amount of Qualified School Construction Bonds that are subject to the Accountable Event of Loss of Qualified School Construction Bond Status.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for the Qualified School Construction Bonds and the Interest Bearing Bonds, including any such successor appointed pursuant to Section 17 hereof.

“DTC Participant” means any entity which is recognized as a participant by DTC in the book-entry system of maintaining records with respect to Qualified School Construction Bonds, Principal Strip Certificates, Tax Credit Certificates, Cash Interest Certificates and Interest Bearing Bonds.

“Interest Bearing Bonds” means the Qualified School Construction Bonds from and after the Tax Credit Conversion Date, if any.

“IRS” means the Internal Revenue Service of the United States Department of the Treasury.

“Office of the Paying Agent” means the principal corporate trust office of the Paying Agent in Los Angeles, California, or such other office as may be specified to the County and the District by the Paying Agent in writing.

“Owner” means (i) with respect to a Qualified School Construction Bond or Interest Bearing Bond, the Person in whose name such Bond is registered on the Registration Books and (ii) with respect to any Principal Strip Certificate, Tax Credit Certificate, or Cash Interest Certificate, the Person in whose name such Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall be registered on the Registration Books.

“Paying Agent” shall mean the County Treasurer or any bank, trust company, national banking association or other financial institution appointed as authenticating agent, bond registrar, transfer agent and paying agent for the Bonds in the manner provided in the County Resolution.

“Person” means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Principal Component” means any principal payment with respect to any Qualified School Construction Bond or Interest Bearing Bond.

“Principal Strip Certificates” means certificates executed and delivered by the District and the County in accordance with the Resolutions and this Tax Credits Separation Certificate, which certificates evidence the entitlement of the Owner thereof to the Principal Component with respect to any Qualified School Construction Bond or Interest Bearing Bond, as applicable, the Tax Credit Component or Cash Interest Payment Component related to which have been separated therefrom pursuant to the Resolutions and this Tax Credits Separation Certificate.

“Registration Books” means the books of the District for the registration and transfer of the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates kept by the Paying Agent in accordance with Section 14 of this Tax Credits Separation Certificate.

“Supplemental Coupon” means the interest, which the Qualified School Construction Bonds bear (at the Supplemental Coupon Rate) at the time of the issuance thereof (and which Interest Bearing Bonds and the Principal Strip Certificates related to which will continue to bear from and after the Tax Credit Conversion Date, if any).

“Supplemental Coupon Rate” means ___ percent (___%) per annum.

“Tax Certificate” means the Tax Certificate executed and delivered by the District in connection with the issuance of the Qualified School Construction Bonds.

“Tax Credit” means the entitlement, pursuant to the Tax Credit Program, of a taxpayer to recognize a credit against the tax imposed by Chapter 1 of the Code.

“Tax Credit Allowance Date” means, with respect to Qualified School Construction Bonds, each March 15, June 15, September 15 and December 15 of each year beginning on March 15, 2010 and ending on the maturity date thereof unless such Qualified School Construction Bonds shall have been converted to Interest Bearing Bonds.

“Tax Credit Certificates” means the certificates executed and delivered in accordance with the Resolutions and this Tax Credits Separation Certificate, which certificates evidence the entitlement of the Owner thereof to the Tax Credits with respect to any Qualified School Construction Bond, the Principal Components related to which have been separated therefrom pursuant to this Tax Credits Separation Certificate. The maximum amount of a Tax Credit Certificate with respect to any single Tax Credit Allowance Date shall not exceed \$_____

(being twenty-five percent (25%) of the product of (i) the initial principal amount of the Qualified School Construction Bonds and (ii) the Tax Credit Rate).

“Tax Credit Component” means the component of each Qualified School Construction Bond relating to the Tax Credits.

“Tax Credit Conversion Date” means (i) the December 15 following the next succeeding August 1 after the Date of Determination of Loss of Qualified School Construction Bond Status, or (ii) after the receipt by the Paying Agent of a written notice from the District of its election to convert the Qualified School Construction Bonds to Interest Bearing Bonds as provided in Section 7 of this Tax Credits Separation Certificate in connection with the defeasance of the Qualified School Construction Bonds, the March 15, June 15, September 15 or December 15 immediately preceding the date the Qualified School Construction Bonds are defeased.

“Tax Credit Program” means the program for allocating Tax Credits and authorizing the issuance of qualified school construction bonds promulgated under Sections 54A and 54F of the Code.

“Tax Credit Rate” means the Tax Credit Rate for the Qualified School Construction Bonds established by the United States Department of Treasury and set forth in Section 3 of this Tax Credits Separation Certificate.

Section 3. Tax Credit Rate for the Qualified School Construction Bonds. The Tax Credit Rate for the Qualified School Construction Bonds shall be ____%. Except as otherwise provided in Section 7 of this Tax Credits Separation Certificate, the Owner of a Qualified School Construction Bond on each Tax Credit Allowance Date, or the Owner of the applicable Tax Credit Certificate stripped from such Qualified School Construction Bond pursuant to Section 4 hereof, shall be entitled to claim a Tax Credit on such Tax Credit Allowance Date in an amount equal to twenty-five percent (25%) of the product of (i) the principal amount of such Qualified School Construction Bond and (ii) the Tax Credit Rate. The amount of any Tax Credit for the first Tax Credit Allowance Date shall be pro rated by the number of days from February __, 2010, the date of delivery of the Qualified School Construction Bonds, to the first Tax Credit Allowance Date in accordance with the Code. A similar rule of pro ration shall apply upon any redemption of the Qualified School Construction Bonds prior to maturity.

Owners of Qualified School Construction Bonds and Tax Credit Certificates are, and the County and District shall not be, responsible for calculating and claiming any Tax Credit as of any Tax Credit Allowance Date and in the manner specified in the Code, except as may be required by regulations promulgated in connection with Qualified School Construction Bonds.

Section 4. Stripping of Tax Credits. (a) At any time, by written request to the Paying Agent in the form attached hereto as Attachment I-A (the “Tax Credit Strip Request”), the Owner of (or, with respect to Book Entry Bonds (notwithstanding anything in Section 17 of this Tax Credits Separation Certificate to the contrary), the DTC Participant for) a Qualified School Construction Bond may, upon presentation of such Qualified School Construction Bond,

direct the Paying Agent to authenticate and deliver: (i) a Principal Strip Certificate in a principal amount equal to the principal amount of the Qualified School Construction Bonds to be so separated and (ii) Tax Credit Certificates representing the entitlement to the allocable Tax Credits with respect to such Qualified School Construction Bonds. The form of the Tax Credit Strip Request may be modified or amended by the Paying Agent with the prior written consent of the District and the County.

(b) Upon the receipt of a request and the presentation pursuant to subsection (a) of this Section 4, the Paying Agent shall: (i) authenticate and deliver to or upon the order of the Owner so requesting, Principal Strip Certificates in a face amount equal to the principal amount of the related Qualified School Construction Bond so presented; (ii) authenticate and deliver to or upon the order of the Owner so requesting, Tax Credit Certificates for each remaining Tax Credit Allowance Date in accordance with this Tax Credits Separation Certificate, in a face amount equal to twenty-five percent (25%) of the product of (A) the principal amount of the related Qualified School Construction Bond so presented and (B) the Tax Credit Rate; and (iii) contemporaneously with the delivery thereof, reduce, by the amount so converted the amount of Qualified School Construction Bonds that have not been stripped.

(c) The Principal Strip Certificate shall be executed and delivered as a fully registered Principal Strip Certificate in an amount corresponding to an Authorized Denomination and in an amount equal to the principal amount of the related Qualified School Construction Bonds presented.

(d) The Tax Credit Certificates shall be executed and delivered as fully registered Tax Credit Certificates, in face amounts corresponding to Authorized Denominations and in an aggregate face amount for each equal to twenty-five percent (25%) of the product of (i) the principal amount of the related Qualified School Construction Bonds presented and (ii) the Tax Credit Rate. To the extent required by DTC, new CUSIP numbers shall be obtained for each Tax Credit Certificate.

(e) Upon the separation, if any, of the ownership of the Principal Component of a Qualified School Construction Bond from the entitlement of the Owner thereof to the related Tax Credits, the Owner of the Principal Strip Certificate related thereto shall be entitled to the Supplemental Coupon related to such Qualified School Construction Bond.

(f) Notwithstanding the separation, if any, of the ownership of the Principal Component of a Qualified School Construction Bond from the entitlement of the Owner thereof to the related Tax Credit Component, the previously combined Qualified School Construction Bond shall remain outstanding and the ownership of Principal Strip Certificates evidencing the rights to the related Principal Components and the Supplemental Coupon related thereto and the ownership of the Tax Credit Certificates evidencing the rights to such Tax Credits related thereto shall constitute such outstanding Qualified School Construction Bond.

Section 5. Mandatory Redemption from Unexpended Bond Proceeds. In the event of a mandatory redemption of Qualified School Construction Bonds from unexpended Bond Proceeds and in the event that Qualified School Construction Bonds have been exchanged for Principal Strip Certificates and Tax Credit Certificates (in whole or in part) and registered

separately pursuant to Section 4 of this Tax Credits Separation Certificate, the amount of unexpended Bond Proceeds shall be allocated, as nearly as reasonably possible, *pro rata* between (i) Qualified School Construction Bonds and (ii) an amount of (a) Principal Strip Certificates and (b) Tax Credit Certificates that would relate to such principal amount of Principal Strip Certificates, based upon the relative principal amounts of the outstanding Qualified School Construction Bonds and the outstanding Principal Strip Certificates. Any Principal Strip Certificates and Tax Credit Certificates to be so redeemed shall also be called for redemption on the same terms and conditions and in the same manner as the Qualified School Construction Bonds pursuant to the County Resolution and the Bond Purchase Agreement, and the price for redemption to be paid by the District and used to redeem Principal Strip Certificates and Tax Credit Certificates so redeemed shall be allocated to the Qualified School Construction Bonds, Principal Strip Certificates and the Tax Credit Certificates in the proportions and values set forth in the allocable value tables attached as Attachment III to this Tax Credits Separation Certificate.

Section 6. Recombining Principal Components and Tax Credits. (a) At any time, by written request to the Paying Agent in the form attached hereto as Attachment I-C (the “Tax Credit Recombination Request”), the Owner (or with respect to Principal Strip Certificates and Tax Credit Certificates held in the book entry system (notwithstanding anything in Section 17 of this Tax Credits Separation Certificate to the contrary), the DTC Participant for (i) a Principal Strip Certificate and (ii) sufficient Tax Credit Certificates having Tax Credit Allowance Dates corresponding to each and every Tax Credit Allowance Date that would remain with respect to a Qualified School Construction Bond, and having a face amount with respect to each such Tax Credit Allowance Date equal to the Tax Credits that would be related to a Qualified School Construction Bond with a principal amount equal to the Principal Strip Certificates to be recombined, may, upon presentation to the Paying Agent of such Principal Strip Certificate and Tax Credit Certificates, direct the Paying Agent to authenticate and deliver (1) a Qualified School Construction Bond in a principal amount equal to the principal amount of the Principal Strip Certificate to be so converted, and (2) reducing, by the amount so converted, the number of Principal Strip Certificates and Tax Credit Certificates. The form of the Tax Credit Recombination Request may be modified or amended by the Paying Agent with the prior written consent of the District and the County.

(b) Upon the receipt of a request and the presentation pursuant to subsection (a) of this Section, the Paying Agent shall authenticate and deliver an unstripped Qualified School Construction Bond in a principal amount equal to the principal amount of the Principal Strip Certificate to be so converted and reduce, by the amount so converted, the amount of separate Principal Strip Certificates and Tax Credit Certificates. Upon the recombination, if any, of a Qualified School Construction Bond, the Qualified School Construction Bond shall be delivered by the Paying Agent as a fully registered Qualified School Construction Bond, in a principal amount corresponding to Authorized Denominations with the CUSIP number for the original combined Qualified School Construction Bond; provided, however, that the Paying Agent [may] provide a new CUSIP number that is distinct from the CUSIP number for the original combined Qualified School Construction Bond.

Section 7. Conversion of Qualified School Construction Bonds into Interest Bearing Bonds; Conversion of Tax Credit Certificates into Cash Interest Certificates; Disallowed Tax Credits.

(a) The Qualified School Construction Bonds shall be converted, in whole or in part, into Interest Bearing Bonds requiring the District to make cash payments of interest thereon to the Owners thereof as provided in this Section on (i) the December 15 following the next succeeding August 1 after the Date of Determination of Loss of Qualified School Construction Bond Status, or (ii) after the receipt by the Paying Agent of a written notice from the District of its election to convert the Qualified School Construction Bonds to Interest Bearing Bonds in connection with the defeasance of the related Qualified School Construction Bonds, the March 15, June 15, September 15 or December 15 immediately preceding the date the Qualified School Construction Bonds are defeased. If either of the events described in the preceding sentence occur, (1) the Qualified School Construction Bonds, any Principal Strip Certificates relating thereto and any Tax Credit Certificate representing Tax Credits for Tax Credit Allowance Dates occurring after the Tax Credit Conversion Date shall, on the Tax Credit Conversion Date or as soon thereafter as practical, be exchanged by the Owner thereof for Interest Bearing Bonds, Principal Strip Certificates relating to the Interest Bearing Bonds and Cash Interest Certificates without the need for any further action or proceeding by the District or the County, (2) such Interest Bearing Bonds, related Principal Strip Certificates and Cash Interest Certificates shall, from and after the Tax Credit Conversion Date, be Interest Bearing Bonds or related Principal Strip Certificates and Cash Interest Certificates, respectively, for all purposes of the Resolutions and this Tax Credits Separation Certificate, and (3) if the Qualified School Construction Bonds have not already ceased to be “qualified school construction bonds” under Section 54F of the Code as a result of a Determination of Loss of Qualified School Construction Bond Status, the Qualified School Construction Bonds, from and after the Tax Credit Conversion Date shall cease to be “qualified school construction bonds” under Section 54F of the Code. Interest Bearing Bonds shall bear interest (in addition to the Supplemental Coupon) from the Tax Credit Conversion Date (with appropriate adjustment for any Tax Credits that in fact will be allowed to the owner by the IRS subsequent to such Tax Credit Conversion Date) to maturity at an interest rate per annum equal to the Tax Credit Rate payable quarterly on each Cash Interest Payment Date. Such interest shall be computed on the basis of a 360-day year of twelve 30-day months. The Owner of any Interest Bearing Bond or Principal Strip Certificate related thereto shall be entitled to the Supplemental Coupon related to the Qualified School Construction Bond so converted. If the Qualified School Construction Bonds are converted into Interest Bearing Bonds, any Qualified School Construction Bonds, Principal Strip Certificates related thereto or Tax Credit Certificates not exchanged for Interest Bearing Bonds, Principal Strip Certificates related thereto and Cash Interest Certificates by the Owners thereof shall be deemed to be so exchanged.

(b) If either of the events described in the first sentence of subsection (a) of this Section occur, the Paying Agent shall send a written notice to the Owners of the Qualified School Construction Bonds, Principal Strip Certificates and Tax Credit Certificates, stating that (i) as of the Tax Credit Conversion Date, the related Qualified School Construction Bonds have been or shall be converted into Interest Bearing Bonds for all purposes of the Resolutions and this Tax Credits Separation Certificate, and (ii) such Owners are required to deliver, on the Tax Credit Conversion Date or as soon as practical thereafter, their Qualified School Construction Bonds, any Principal Strip Certificates relating thereto and Tax Credit Certificates (for Tax Credit Allowance Dates occurring after the Tax Credit Conversion Date) to the Paying Agent in

exchange for an Interest Bearing Bond or Bonds, Principal Strip Certificates relating to the Interest Bearing Bonds and Cash Interest Certificates in Authorized Denominations in the same respective face amount as the Qualified School Construction Bonds and any Principal Strip Certificates relating to such Qualified School Construction Bonds and Tax Credit Certificates so delivered by such Owners. Upon the conversion of Qualified School Construction Bonds into Interest Bearing Bonds, Principal Strip Certificates relating to Qualified School Construction Bonds into Principal Strip Certificates relating to Interest Bearing Bonds and Tax Credit Certificates, if any, into Cash Interest Certificates, the District and the County shall execute, and the Paying Agent shall authenticate and deliver, to the Owners of the Qualified School Construction Bonds, Principal Strip Certificates relating to the Qualified School Construction Bonds and Tax Credit Certificates, if any, entitled thereto, fully registered Interest Bearing Bonds, Principal Strip Certificates relating to such Interest Bearing Bonds and Cash Interest Certificates in substantially the forms authorized in the County Resolution.

(c) In addition, in the event that any Tax Credits with respect to Tax Credit Allowance Dates occurring on or prior to the Tax Credit Conversion Date are determined to be ineligible as Tax Credits as a result of the Determination of Loss of Qualified School Construction Bond Status, the District shall pay to the Owners (as of the applicable Tax Credit Allowance Dates for such disallowed Tax Credits) of the Qualified School Construction Bonds or Tax Credit Certificates, as appropriate, an amount equal to the amount of such disallowed Tax Credits, plus interest thereon from the applicable Tax Credit Allowance Date to the date of payment, compounded quarterly at the rates equal to the large corporate underpayment rates determined from time to time by the IRS during such interest compounding period to be paid on or before the January 15th following the next succeeding August 1 after the Date of Determination of Loss of Qualified School Construction Bond Status.

Section 8. Stripping of Cash Interest Certificates. (a) At any time, by written request to the Paying Agent in the form attached hereto as Attachment I-B (the “Cash Interest Strip Request”), the Owner of (or, with respect to Book Entry Bonds (notwithstanding anything in Section 17 of this Tax Credits Separation Certificate to the contrary), the DTC Participant for) an Interest Bearing Bond may, upon presentation of such Interest Bearing Bond, direct the Paying Agent to authenticate and deliver (i) a Principal Strip Certificate in a principal amount equal to the principal amount of the Interest Bearing Bonds to be so separated and (ii) Cash Interest Certificates representing the entitlement to the Cash Interest Payment Component with respect to such Interest Bearing Bonds to be converted. The form of the Cash Interest Strip Request may be modified or amended by the Paying Agent with the prior written consent of the District and the County.

(b) Upon the receipt of a request and the presentation of an Interest Bearing Bond pursuant to subsection (a) of this Section, the Paying Agent shall: (i) authenticate and deliver to or upon the order of the Owner so requesting, a Principal Strip Certificate in a principal amount equal to the principal amount of the related Interest Bearing Bond so presented; (ii) authenticate and deliver to or upon the order of the Owner so requesting, Cash Interest Certificates for each remaining Cash Interest Payment Date in accordance with this Tax Credits Separation Certificate, in an amount equal to twenty-five percent (25%) of the product of (A) the principal amount of the related Interest Bearing Bond so presented and (b) the Tax Credit Rate; and

(iii) contemporaneously with the delivery thereof, reduce, by the amount so converted the amount of Interest Bearing Bonds that have not been stripped.

(c) The Principal Strip Certificate shall be executed and delivered as a fully registered Principal Strip Certificate, in an amount corresponding to an Authorized Denomination and in an amount equal to the principal amount of the related Interest Bearing Bond presented.

(d) The Cash Interest Certificates shall be executed and delivered as fully registered Cash Interest Certificates, in amounts corresponding to Authorized Denominations and in an amount for each equal to twenty-five percent (25%) of the product of (i) the principal amount of the related Interest Bearing Bonds presented and (ii) the Tax Credit Rate. To the extent required by DTC, specific CUSIP numbers shall be obtained for each Cash Interest Certificate.

(e) Upon the separation, if any, of the ownership of the Principal Component of an Interest Bearing Bond from the entitlement of the Owner thereof to the related Cash Interest Payment Component, the Owner of the Principal Strip Certificate related thereto shall be entitled to the Supplemental Coupon related to such Interest Bearing Bond.

(f) Notwithstanding the separation, if any, of the ownership of the Principal Component of an Interest Bearing Bond from the entitlement of the Owner thereof to the related Cash Interest Payment Component, the previously combined Interest Bearing Bond shall remain outstanding and the ownership of Principal Strip Certificates evidencing the rights to the related Principal Components and the Supplemental Coupon related thereto and the ownership of the Cash Interest Certificates shall constitute such outstanding Interest Bearing Bond.

Section 9. Recombining Principal Components and Cash Interest Payments.

(a) At any time, by written request to the Paying Agent in the form attached hereto as Attachment I-D (the “Cash Interest Recombination Request”), the Owner of (or, with respect to Principal Strip Certificate and Cash Interest Certificates held in the book-entry system (notwithstanding anything in Section 17 of this Tax Credits Separation Certificate to the contrary), the DTC Participant for) (i) a Principal Strip Certificate and (ii) sufficient Cash Interest Certificates having payment dates corresponding to each and every Cash Interest Payment Date that would remain with respect to an Interest Bearing Bond, and having a face amount with respect to each such Cash Interest Payment Date equal to the amount of the Cash Interest Payment Component that would be paid on an Interest Bearing Bond with a principal amount equal to the Principal Strip Certificates to be recombined, may, upon presentation of such Principal Strip Certificates and Cash Interest Certificates, direct the Paying Agent to authenticate and deliver (1) an Interest Bearing Bond in a principal amount equal to the principal amount of the Principal Strip Certificate to be so converted, and (2) reducing by the amount so converted, the amount of Principal Strip Certificates and Cash Interest Certificates. The form of the Cash Interest Recombination Request may be modified or amended by the Paying Agent with the prior written consent of the District and the County.

(b) Upon the receipt of a request and the presentation pursuant to subsection (a) of this Section, the Paying Agent shall authenticate and deliver an unstripped Interest Bearing Bond in a principal amount equal to the principal amount of the Principal Strip Certificates to be so converted, and reduce, by the amount so converted, the amount of separate Principal Strip

Certificates and Cash Interest Certificates. Upon the recombination, if any, of Principal Strip Certificates and the Cash Interest Certificates, Interest Bearing Bonds shall be delivered by the Paying Agent as fully registered Interest Bearing Bonds, in principal amounts corresponding to Authorized Denominations with the CUSIP number for the original combined Qualified School Construction Bond; provided, however, that the Paying Agent may request a new CUSIP number that is distinct from the CUSIP number for the original combined Qualified School Construction Bond.

Section 10. Rights, Remedies and Redemptions of Separate Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. For purposes of the Resolutions, if and to the extent that any Qualified School Construction Bonds or Interest Bearing Bonds are separated into Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, the Owners of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates shall have the same rights and remedies granted to the Owners of Qualified School Construction Bonds or Interest Bearing Bonds, as applicable, and shall receive all notices required to be sent to Owners of the Qualified School Construction Bonds or Interest Bearing Bonds. For purposes of determining if there is 60% in aggregate principal amount of the Outstanding Bonds affected by a proposed action, consent or direction, if the proposed action, consent or direction would affect the Owners of Qualified School Construction Bonds or Interest Bearing Bonds, the Owners of the Principal Strips Certificates, Tax Credit Certificates and Cash Interest Certificates shall be entitled to collective voting rights equal to the principal amount of the related Principal Strip Certificates, and such voting rights shall be further allocated to the Owners of the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates in proportion to the values set forth in Attachment III to this Tax Credits Separation Certificate.

Section 11. Forms of Qualified School Construction Bonds, Interest Bearing Bonds, Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. The Principal Strip Certificates and Tax Credit Certificates relating to the Qualified School Construction Bonds, including the Paying Agent's Certificate of Authentication and Registration thereon, shall be in substantially the form of Appendix I to the form of Qualified School Construction Bond set forth in Exhibit __ to the County Resolution, with appropriate or necessary insertions, omissions and variations as permitted or required by the Resolutions or this Tax Credits Separation Certificate. The Principal Strip Certificates and Cash Interest Certificates relating to the Interest Bearing Bonds, including the Paying Agent's Certificate of Authentication and Registration thereon, shall be in substantially the form of Appendix I to the form of Interest Bearing Bond set forth in Exhibit __ to the County Resolution, with appropriate or necessary insertions, omissions and variations as permitted or required by the Resolutions or this Tax Credits Separation Certificate.

Section 12. Execution of Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. The Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates shall be signed by the manual or facsimile signature of the Chairman of the Board of Supervisors and the County Treasurer and countersigned by the Clerk and by the manual or facsimile signature of an Authorized District Officer and countersigned by the Executive Officer, Board of Education pursuant to the County Resolution. The Principal Strip Certificates, Tax Credit Certificates and Tax Credit Certificates shall then be delivered to the Paying Agent for authentication by it.

Section 13. Authentication of Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. Only such of the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates as shall bear thereon a Certificate of Authentication and Registration as described in Section 11 hereof, executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of the Resolutions and this Tax Credits Separation Certificate, and such certificate of the Paying Agent shall be conclusive evidence that the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates so authenticated have been duly authenticated and delivered as set forth hereunder and in the Principal Strip Certificate, Tax Credit Certificates and Cash Interest Certificates and are entitled to the benefits of the Resolutions and this Tax Credits Separation Certificate.

Section 14. Registration Books. The Paying Agent will keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of ownership of the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates which shall at all times be open to inspection by the District and the County and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered, transferred or exchanged the Principal Strip Certificate, Tax Credit Certificates, and Cash Interest Certificates as provided in Sections 12, 15, 16 and 17 hereof.

The District shall cause each Qualified School Construction Bond, Interest Bearing Bond, Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate authenticated and registered by the Paying Agent to be assigned a distinctive letter or number, or letter and number.

Section 15. Transfer and Exchange of Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. Any Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates may, in accordance with its terms and the Tax Credits Separation Certificate, be transferred upon the Registration Books by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Paying Agent. Whenever any Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall be surrendered for transfer, the District and the County shall execute and the Paying Agent shall authenticate and shall deliver a new Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, in an Authorized Denomination and of the same tenor, maturity and interest rate, if any. The Paying Agent shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

Any Principal Strip Certificate, Tax Credit Certificate and Cash Interest Certificate may be exchanged at the Office of the Paying Agent for a like Authorized Denomination of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, of the same tenor, maturity and interest rate, if any, of other Authorized Denominations. The Paying Agent shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Paying Agent shall not be obligated to make any transfer or exchange of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates pursuant to this Section during the period established by the Paying Agent for the selection of Principal Strip Certificates, Tax Credit Certificates, Cash Interest Certificates or related Qualified School Construction Bonds or Interest Bearing Bonds, as applicable, for redemption, or with respect to any Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates selected for redemption.

Section 16. Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates Mutilated, Lost, Destroyed or Stolen. If any Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall become mutilated, the County and the District, at the expense of the Owner of said Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, of like tenor in exchange and substitution for the Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, so mutilated, but only upon surrender to the Paying Agent of the Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate so mutilated. Every mutilated Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate so presented to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the County and the District.

If any Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence and indemnity satisfactory to the Paying Agent and the County and the District shall be given, the County and the District, at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, of like tenor in lieu of and in replacement for the Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate so lost, destroyed or stolen (or if any such Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate shall have matured or shall have been selected for redemption, instead of issuing a replacement Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate, as applicable, the Paying Agent may pay the same without surrender thereof).

The County and the District may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate issued under this Section and of the expenses which may be incurred by the County, District and the Paying Agent.

Any Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate issued under the provisions of this Section in lieu of any Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the County and the District whether or not the Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of the Resolution and the Tax Credits Separation Certificate, if applicable, with all other Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates secured by the Resolution.

Section 17. Book-Entry System. (a) Upon the separation of the ownership of the Qualified School Construction Bonds from the entitlement of the Owner thereof to the related Tax Credits or the separation of the ownership of the Interest Bearing Bonds from the entitlement of the Owner thereof to the Cash Interest Payment Component, the ownership of Principal Strip Certificates evidencing the rights to the related Principal Components and the ownership of the Tax Credit Certificates evidencing the rights to such Tax Credits or the ownership of the Cash Interest Certificates evidencing the rights to such Cash Interest Payment Component, as applicable, shall be registered in the Registration Books in the name of Cede & Co., as nominee of DTC, except as provided in subsection (c) of this Section. The Paying Agent, the County and the District may treat DTC (or its nominee) as the sole and exclusive Owner of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, registered in its name for the purposes of payment of amounts, if any, with respect to the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, selecting the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates or portions thereof, as applicable, to be redeemed, giving any notice permitted or required to be given to Owners of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, under this Tax Credits Separation Certificate, registering the transfer of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, obtaining any consent or other action to be taken by Owners of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, and for all other purposes whatsoever, and the Paying Agent, the County and the District shall not be affected by any notice to the contrary. The Paying Agent, the County and the District shall not have any responsibility or obligation to any DTC Participant, any person claiming a beneficial ownership interest in the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates under or through DTC or any DTC Participant, or any other person which is not shown on the Registration Books as being an Owner, with respect to the accuracy of any records maintained by DTC or any DTC Participant; the payment by DTC or any DTC Participant of any amount in respect of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates; any notice which is permitted or required to be given to Owners of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates under this Tax Credits Separation Certificate; the selection by DTC or any DTC Participant of any person to receive payment in the event of a partial redemption of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates; or any consent given or other action taken by DTC as Owner of Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. The Paying Agent shall pay all amounts, if any, with respect to the Principal Strip Certificates and Cash Interest Certificates, as applicable, only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the County and the District's obligations with respect to any such amounts with respect to the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, to the extent of the sum or sums so paid. Except under the conditions of subsection (c) of this Section, no person other than DTC shall receive an executed Principal Strip Certificate, Tax Credit Certificate or Cash Interest Certificate. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the term "Cede & Co." in this Tax Credits Separation Certificate shall refer to such new nominee of DTC.

(b) Notwithstanding anything to the contrary contained in Sections 4, 6, 8 or 9 or otherwise in this Tax Credits Separation Certificate, so long as the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates, as applicable, are registered in the name of Cede & Co. or its registered assigns, the Paying Agent shall process all Tax Credit Strip Requests, Cash Interest Strip Requests, Tax Credit Recombination Requests and Cash Interest Recombination Requests through DTC's book-entry system.

(c) Notwithstanding anything to the contrary contained in this Tax Credits Separation Certificate, so long as the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates, as applicable, are registered in the name of Cede & Co., or its registered assigns, the District and the Paying Agent shall cooperate with Cede & Co., as sole registered Owner, or its registered assigns, in effecting payment of the redemption price, if any, of the Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates by arranging for payment in such manner that funds for such payments are properly identified and are made by wire transfer of same-day funds on the date they are due.

(d) In the event (i) DTC, including any successor as securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, determines not to continue to act as securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates; or (ii) the County (upon consultation with the District) determines that the incumbent securities depository shall no longer so act, subject to the applicable procedures of the incumbent securities depository, and delivers a written certificate to the Paying Agent to that effect, then the County will discontinue the book-entry system with the incumbent securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates. If the County (upon consultation with the District) determines to replace the incumbent securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates with another qualified securities depository, subject to the applicable procedures of the incumbent securities depository, the County shall prepare or direct the preparation of a new single, separate fully registered Principal Strip Certificate, a new single, separate fully registered Tax Credit Certificate for the aggregate outstanding amount of Tax Credits that have been separated from the ownership of the related Qualified School Construction Bonds and a new single, separate fully registered Cash Interest Certificate, as applicable, or, to the extent authorized by this Tax Credits Separation Certificate, portion thereof, registered in the name of such successor or substitute qualified securities depository, or its nominee, or make such other arrangement acceptable to the County, the District, the Paying Agent and the successor securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates as are not inconsistent with the terms of this Tax Credits Separation Certificate. If the County fails to identify another qualified successor securities depository of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates to replace the incumbent securities depository, then the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates shall no longer be restricted to being registered in the Registration Books in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository for the Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates, as applicable, or its nominee, shall designate. In such event the Paying Agent shall authenticate and deliver a sufficient quantity of the Principal Strip Certificates, Tax Credit Certificates or Cash Interest

Certificates as necessary to carry out the transfers and exchanges provided in the County Resolution and Section 15 hereof.

(e) So long as the Tax Credit Certificates are registered in the name of Cede & Co. or its registered assigns, the Paying Agent shall provide notice to DTC of the expiration of each Tax Credit Certificate, not less than forty-five (45) days prior to the Tax Credit Allowance Date for such Tax Credit Certificate, in the form included as Attachment II hereto.

Section 18. Defeasance of the Qualified School Construction Bonds. Notwithstanding anything in the Resolutions to the contrary, the District shall not cause all or a portion of the Qualified School Construction Bonds to be defeased and deemed paid unless, prior thereto, the District shall have either (i) obtained a ruling from the IRS to the effect that such defeasance of the Qualified School Construction Bonds will not cause a loss of the associated Tax Credits, or (ii) elected to convert the Qualified School Construction Bonds into Interest Bearing Bonds as provided in Section 7 of this Tax Credits Separation Certificate, provided, however, that any defeasance in connection with a conversion pursuant to clause (ii) must occur at least forty-six (46) days prior to the Tax Credit Allowance Date immediately following such a defeasance.

Section 19. Purchase of the Qualified School Construction Bonds or Principal Strip Certificates. Notwithstanding anything in the Resolutions to the contrary, the District hereby covenants that it shall not purchase, hold or own, whether by purchase, gift, bequest or devise, any of the Qualified School Construction Bonds or Principal Strip Certificates, Interest Bearing Bonds or Cash Interest Certificates, if any, pursuant to any arrangement, formal or informal.

Section 20. Amendment; Waiver. This Tax Credits Separation Certificate may be amended, by written agreement of the parties, and any provision of this Tax Credits Separation Certificate may be waived, each without the consent of the Owners of the Qualified School Construction Bonds, Interest Bearing Bonds, Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates or any other Person, if (i)(a) an amendment to Section 54A or 54F of the Code is adopted, or a new or modified official interpretation of Section 54A or 54F of the Code is issued, after the effective date of this Tax Credits Separation Certificate which is applicable to this Tax Credits Separation Certificate and the transactions contemplated hereby; (b) legislation shall have been enacted by the United States or the State, or a decision shall have been rendered by a court of the United States or the Tax Court of the United States, or a ruling shall have been made or a regulation, proposed regulation or a temporary regulation or an official statement shall have been published in the Federal Register or any other release or announcement shall have been made by or on behalf of the Treasury Department of the United States, U.S. Securities and Exchange Commission or the Internal Revenue Service with respect to the stripping of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates from the related Qualified School Construction Bonds or Interest Bearing Bonds, as applicable, or (c) rules, procedures or guidance shall have been adopted by DTC or any successor or replacement securities depository with respect to the stripping of Principal Strip Certificates, Tax Credit Certificates or Cash Interest Certificates from the related Qualified School Construction Bonds or Interest Bearing Bonds, as applicable and (ii) the District shall have delivered to the Paying Agent an opinion of counsel addressed to the District, the County and the Paying Agent

to the effect that performance by the District, the County and Paying Agent under this Tax Credits Separation Agreement as so amended or giving effect to such waiver, as the case may be, will not result in a violation of Sections 54A or 54F of the Code. The District shall cause to be given to the Owners prompt notice of any such amendment to or waiver of any provision of this Tax Credits Separation Certificate.

Section 21. Protections of the Paying Agent. The Paying Agent shall be entitled to all of the rights, protections, immunities and indemnities provided to it as Paying Agent and Registrar under the Resolutions.

Section 22. Beneficiaries. This Tax Credits Separation Certificate shall inure solely to the benefit of the District, the County and Owners from time to time of the Qualified School Construction Bonds, Interest Bearing Bonds, Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates, and shall create no rights in any other person or entity.

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Megan K. Reilly
Chief Financial Officer

COUNTY OF LOS ANGELES

By: _____
Mark J. Saladino
Treasurer and Tax Collector

AGREED AND ACCEPTED:

U.S. BANK NATIONAL ASSOCIATION,
as the Agent to the Paying Agent

By: _____
Name: _____
Title: _____

ATTACHMENT I-A

FORM OF TAX CREDIT STRIP REQUEST

To: [via email] _____@_____.com

Re: Certificates Evidencing Tax Credit Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 200_, Series _ (200_) Qualified School Construction Bonds (Tax Credit Bonds)

The undersigned, _____, hereby certifies as follows:

1. I am the Registered Owner of (or, with respect to Book Entry Bonds, the DTC Participant for) Los Angeles Unified School District General Obligation Bonds Election of 2005, Series _ (2010) Qualified School Construction Bonds (Tax Credit Bonds) (the "Bonds"), in the principal amount, maturing on and with the Original CUSIP number, all as set forth in the attached Schedule I hereto and presented herewith.

2. Pursuant to the provisions of Section 4 of the Tax Credits Separation Certificate, dated _____, 2010 of the County of Los Angeles and the Los Angeles Unified School District (the "Tax Credits Separation Certificate"), I hereby request the separation of the Tax Credit Component from the Principal Component of the Bonds identified in Paragraph 1 above and direct the Paying Agent to take such necessary action in connection therewith as is set forth in the Tax Credits Separation Certificate in connection therewith.

Capitalized terms used but not defined herein shall have the meanings set forth in the Tax Credits Separation Certificate.

Dated: _____

By: _____
[CEDE & CO.]

SCHEDULE I

IDENTIFICATION OF TAX CREDIT BONDS TO BE STRIPPED

Withdrawal:	CUSIP	Maturity Date	Amount (dollars):	Participant Number:
Original CUSIP				
Deposits:				
Principal Strip Certificate CUSIP				
Tax Credit Certificate CUSIP				
March 15, 2010				
June 15, 2010				
September 15, 2010				
December 15, 2010				
March 15, 2011				
June 15, 2011				
September 15, 2011				
December 15, 2011				
March 15, 2012				
June 15, 2012				
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December 15, 2023				
March 15, 2024				
June 15, 2024				
September 15, 2024				
December 15, 2024				
March 15, 2025				

ATTACHMENT I-B

FORM OF CASH INTEREST STRIP REQUEST

To: [via email] _____@_____.com

Re: Certificates Evidencing Tax Credit Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 2005, Series _ (2010) Qualified School Construction Bonds (Tax Credit Bonds)

The undersigned, _____, hereby certifies as follows:

1. I am the Registered Owner of (or, with respect to Book Entry Bonds, the DTC Participant for) Los Angeles Unified School District General Obligation Bonds Election of 2005, Series _ (2010) Qualified School Construction Bonds (Tax Credit Bonds) (the "Bonds"), in the principal amount, maturing on and with the Original CUSIP number, all as set forth in the attached Schedule I hereto and presented herewith. The Bonds have been converted to Interest Bearing Bonds pursuant to Section 7 of the Tax Credits Separation Certificate dated _____, 2010 of the County of Los Angeles and the Los Angeles Unified School District (the "Tax Credits Separation Certificate").

2. Pursuant to the provisions of Section 8 of the Tax Credits Separation Certificate, I hereby request the separation of the Cash Interest Payment Component from the Principal Component of the Bonds identified in Paragraph 1 above and direct the Paying Agent to take such necessary action in connection therewith as is set forth in the Tax Credits Separation Certificate in connection therewith.

Capitalized terms used but not defined herein shall have the meanings set forth in the Tax Credits Separation Certificate.

Dated: _____

By: _____

[CEDE & CO.]

SCHEDULE I

IDENTIFICATION OF INTEREST BEARING BONDS TO BE STRIPPED

Withdrawal:	CUSIP	Maturity Date	Amount (dollars):	Participant Number:
Interest Bearing Bond Original CUSIP				
Deposits:				
Principal Strip Certificate CUSIP				
Cash Interest Certificate CUSIP				
March 15, 2010				
June 15, 2010				
September 15, 2010				
December 15, 2010				
March 15, 2011				
June 15, 2011				
September 15, 2011				
December 15, 2011				
March 15, 2012				
June 15, 2012				
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June 15, 2024				
September 15, 2024				
December 15, 2024				
March 15, 2025				

ATTACHMENT I-C

FORM OF TAX CREDIT RECOMBINATION REQUEST

To: [via email] _____@_____.com

Re: Certificates Evidencing Tax Credit Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 2005, Series _ (2010) Qualified School Construction Bonds (Tax Credit Bonds)

The undersigned, _____, hereby certifies as follows:

1. I am the Registered Owner of (or, with respect to Principal Strip Certificates and Tax Credit Certificates held in the book entry system, the DTC Participant for) a Principal Strip Certificate related to the Los Angeles Unified School District General Obligation Bonds Election of 2005, Series _ (2010) Qualified School Construction Bonds (Tax Credit Bonds) (the "Bonds"), in the principal amount, date of maturity and with the CUSIP number, and the Registered Owner of the Tax Credit Certificates related to the Bonds in the face amount and with the CUSIP number, all as set forth in the attached Schedule I hereto and both the Principal Strip Certificate and Tax Credit Certificates are presented herewith.

2. Pursuant to the provisions of Section 6 of the Tax Credits Separation Certificate, dated _____, 2010 (the "Tax Credits Separation Certificate") of the County of Los Angeles and the Los Angeles Unified School District, I hereby request the recombination of the Tax Credit Component with the Principal Component of the Bonds identified in Paragraph 1 above and direct the Paying Agent to take such necessary action in connection therewith as is set forth in the Tax Credits Separation Certificate to combine the Principal Strip Certificates and Tax Credit Certificates into an unstripped Bond.

Capitalized terms used but not defined herein shall have the meanings set forth in the Tax Credits Separation Certificate.

Dated: _____

By: _____
[CEDE & CO.]

SCHEDULE I

IDENTIFICATION OF QUALIFIED SCHOOL CONSTRUCTION
BONDS TO BE RECOMBINED

Withdrawal:	CUSIP	Maturity Date	Amount (dollars):	Participant Number:
Principal Strip Certificate CUSIP				
Tax Credit Certificate CUSIP				
March 15, 2010				
June 15, 2010				
September 15, 2010				
December 15, 2010				
March 15, 2011				
June 15, 2011				
September 15, 2011				
December 15, 2011				
March 15, 2012				
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June 15, 2023				
September 15, 2023				

December 15, 2023				
March 15, 2024				
June 15, 2024				
September 15, 2024				
December 15, 2024				
March 15, 2025				
Deposits:				
Qualified School Construction Bond CUSIP				

ATTACHMENT I-D

FORM OF CASH INTEREST RECOMBINATION REQUEST

To: [via email] _____@_____.com

Re: Certificates Evidencing Tax Credit Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 2005, Series _ (2010) Qualified School Construction Bonds (Tax Credit Bonds)

The undersigned, _____, hereby certifies as follows:

1. I am acting on behalf of the Registered Owner (or, with respect to Principal Strip Certificates and Cash Interest Certificates held in the book entry system, the DTC Participant for) of Principal Strip Certificates related to the Los Angeles Unified School District General Obligation Bonds Election of 2005, Series _ (2010) Qualified School Construction Bonds (Tax Credit Bonds) (the "Bonds"), in the principal amount, date of maturity and with the Original CUSIP number, and the Registered Owner of Cash Interest Certificates related to the Bonds in the face amount and with the CUSIP number, all as set forth in the attached Schedule I hereto and both the Principal Strip Certificates and Cash Interest Certificates are presented herewith. The Bonds heretofore have been converted to Interest Bearing Bonds pursuant to Section 7 of the Tax Credits Separation Certificate dated _____, 2010 (the "Tax Credits Separation Certificate"), of the County of Los Angeles and the Los Angeles Unified School District.

2. Pursuant to the provisions of Section 9 of the Tax Credits Separation Certificate, I hereby request the recombination of the Cash Interest Payment Component with the Principal Component of the Bonds identified in Paragraph 1 above and direct the Paying Agent to take such necessary action in connection therewith as is set forth in the Tax Credits Separation Certificate to combine such Principal Strip Certificates and Cash Interest Certificates into an unstripped Interest Bearing Bond.

Capitalized terms used but not defined herein shall have the meanings set forth in the Tax Credits Separation Certificate.

Dated: _____

By: _____
[CEDE & CO.]

SCHEDULE I

IDENTIFICATION OF INTEREST BEARING BONDS TO BE RECOMBINED

Withdrawal:	CUSIP	Maturity Date	Amount (dollars):	Participant Number:
Principal Strip Certificate CUSIP				
Cash Interest Certificate CUSIP				
March 15, 2010				
June 15, 2010				
September 15, 2010				
December 15, 2010				
March 15, 2011				
June 15, 2011				
September 15, 2011				
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March 15, 2012				
June 15, 2012				
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September 15, 2023				
December 15, 2023				
March 15, 2024				
June 15, 2024				
September 15, 2024				
December 15, 2024				
March 15, 2025				
Deposits:				
Interest Bearing Bond CUSIP				

ATTACHMENT II

FORM OF TAX CREDIT CERTIFICATE EXPIRATION NOTICE

To: The Depository Trust Company – *via email only to: redemptionnotification@dtcc.com*

Re: Certificates Evidencing Tax Credit Entitlement related to the Los Angeles Unified School District General Obligation Bonds Election of 2005, Series _ (2010) Qualified School Construction Bonds (Tax Credit Bonds) – Expiration/Total Redemption

NOTICE IS HEREBY GIVEN that the amounts of Tax Credit Certificates identified below by the CUSIP number shall expire on _____ 15, 20__, the applicable Tax Credit Allowance Date, in full with no value.

<u>Expiration Date:</u>	<u>Price:</u>	<u>Rate:</u>	<u>Amount:</u>	<u>CUSIP</u>
_____ 15, 20__	ZERO	ZERO	ZERO	_____

For purposes of DTC records, the expiration of the Tax Credit Certificates is considered a redemption of the securities, and the Tax Credit Certificates identified herein are being called for redemption at no principal amount or accrued interest. On the expiration date the position in this CUSIP must be cancelled. No further Tax Credits will be offered.

Dated: [45 days prior to Expiration Date/Tax Credit Allowance Date]

TREASURER AND TAX COLLECTOR
OF THE COUNTY OF LOS ANGELES,
as Paying Agent

By: U.S. NATIONAL ASSOCIATION, as Agent

By: _____

Authorized Signatory

ATTACHMENT III
[TABLE OF ALLOCABLE VALUES]

COPY CERTIFICATION BY DOCUMENT CUSTODIAN

State of California
County of Los Angeles } ss.

I, Jefferson Crain, hereby declare that the attached reproduction of Board of Education Report No. 192 – 09/10, Issuance of General Obligation Bonds Under Measure K, Measure R and Measure Y is a true, correct and complete photocopy of a document in my possession or control.

Signature of Affiant

Subscribed and sworn to (or affirmed) before me on this 15th day of January, 2010, by Jefferson Crain, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

(seal)



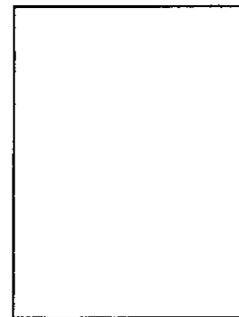
Signature of Notary

----- OPTIONAL INFORMATION -----

Date of Document January 12, 2010

Thumbprint of Signer

Type or Title of Document Board of Education Report No. 192 – Issuance of General Obligation Bonds Under Measure K, Measure R and Measure Y



Number of Pages in Document 102

Document in a Foreign Language _____

Type of Satisfactory Evidence.

- Personally Known with Paper Identification
- Paper Identification
- Credible Witness(es)

Check here if no thumbprint or fingerprint is available.

Capacity of Signer:

- Trustee
- Power of Attorney
- CEO / CFO / COO
- President / Vice-President / Secretary / Treasurer
- Other: Executive Officer of the Board

Other Information: Certified 8 Copies



LOS ANGELES UNIFIED SCHOOL DISTRICT

Board of Education Report

Report Number:	192 - 09/10
Date:	January 12, 2010
Subject:	Issuance of General Obligation Bonds under Measure K, Measure R and Measure Y
Responsible Staff:	
Name	Timothy Rosnick
Office/Division	Controller
Telephone No.	(213) 241-7990

BOARD REPORT

Action Proposed:

The Board is requested to (1) approve the attached Resolutions approving the issuance of bonds under either the Education Code (Attachment A) or the Government Code (Attachment B) and the forms of one or more Preliminary Official Statements, Bond Purchase Agreements, Notices Inviting Proposals, Notices of Intention to Sell and Continuing Disclosure Certificates for the issuance in one or more series or subseries of up to \$150 million in general obligation bonds of the District under the Measure K authorization, up to \$870.0 million under the Measure R authorization and up to \$1.841 billion under the Measure Y authorization, subject to the constraint that total aggregate issuance cannot exceed \$2.184795 billion (collectively, the "2010 Bonds"); (2) approve the attached Reimbursement Resolution (Attachment C) pertaining to the Qualified School Construction Bonds (QSCBs); (3) approve the attached Reimbursement Resolution (Attachment D) pertaining to the Clean and Renewable Energy Bonds (CREBs); (4) review the information to be disclosed to it pursuant to AB 1482; (5) authorize the sale of all or a portion of the 2010 Bonds by negotiated and/or competitive sale; (6) direct the Chief Financial Officer and other Officers of the District to assemble the financing team for the upcoming transaction to be comprised of Tamalpais Advisors, Inc. – Kelling, Northcross & Nobriga, A Joint Venture, as Financial Advisor; Sidley Austin LLP as Bond and Tax Counsel, Hawkins Delafield & Wood LLP as Disclosure Counsel, U.S. Bank National Association as Paying Agent, Citigroup Global Markets and Goldman, Sachs & Co., as Senior Managers, Barclays Capital, Citigroup Global Markets, Goldman, Sachs & Co. and Morgan Stanley as Joint Book-Running Managers, Morgan Stanley as co-senior manager, and De La Rosa & Co., Ramirez & Co., Inc., Rice Financial, Stone & Youngberg and RBC Capital Markets, as co-managers and (7) authorize the Budget Services and Financial Planning Division to make the necessary budget adjustments to reflect the anticipated bond receipts.



LOS ANGELES UNIFIED SCHOOL DISTRICT Board of Education Report

Background:

On November 5, 2002, voters approved a \$3.35 billion local Measure K bond authorization. On March 2, 2004, voters approved a \$3.87 billion local Measure R bond authorization. On November 8, 2005, voters approved a \$3.985 billion local Measure Y bond authorization. The three authorizations provide funds to repair and modernize existing District schools, build new schools to relieve overcrowding and fund additional capital projects. The District has issued \$3.2 billion of Measure K bonds, \$3.0 billion of Measure R bonds, and \$2.1444 billion of Measure Y bonds to date.

This Board Report and the attached Resolutions (Attachments A and B) and Reimbursement Resolutions (Attachments C and D) provide for approval of the forms of one or more Preliminary Official Statements, Bond Purchase Agreements, Notices Inviting Proposals, Notices of Intention to Sell and Continuing Disclosure Certificates for the issuance of the 2010 Bonds under either the Education Code (Attachment A) or the Government Code (Attachment B).

Effective January 1, 2007, AB 1482 applies to all new money general obligation bonds issued by school and community college districts in California. The intent of AB 1482 is to provide transparency in the bond issuance process, namely, by requiring a school district to publicly identify the names of the Financial Advisor, Bond Counsel, Disclosure Counsel, and Underwriter(s) and the detailed, estimated costs of issuance for the bonds. See "Issues and Analysis" for a discussion of the District's compliance with these requirements in connection with the 2010 Bonds.

Expected Outcomes: Will provide timely receipt of bond proceeds to ensure that funding of Bond Program projects is not disrupted.

Board Options and Consequences:

The Board may approve the Resolutions, the Reimbursement Resolutions, the forms of legal documents and Preliminary Official Statements, Bond Purchase Agreements, Notices Inviting Proposals, Notices of Intention to Sell and Continuing Disclosure Certificates, the financing team, and the sale of all or a portion of the 2010 Bonds on a negotiated and/or competitive basis so that the sale can be executed as timely as possible.

The Board may prefer to wait for further information and details on the specific action to be taken. This option, however, may risk disruption of Bond program projects that need funding as well as reduced funding due to a reduction in the District's debt capacity. If the sale is delayed until next fiscal year when the District's assessed valuation base is expected to decline, the



LOS ANGELES UNIFIED SCHOOL DISTRICT

Board of Education Report

District will not be able to issue as many bonds for Bond Program projects.

Policy Implications: This action is in compliance with the relevant criteria set forth in Article 1 and Sections 3 02, 4.12, and 4.13 of the Debt Management Policy.

Budget Impact: No General Fund Impact. The 2009-10 budget will need to be adjusted to reflect the anticipated proceeds from the issuance of the 2010 Bonds, but the debt service payments attributable to these issuances will be supported by tax levies imposed on the District's taxpayers and not by the District's General Fund. Underwriting costs are expected to be paid from original issue premium on the 2010 Bonds while costs of issuance are expected to be funded from proceeds deposited into the respective Building Funds.

Issues and Analysis: On November 5, 2002, voters approved a \$3.35 billion local Measure K bond authorization. On March 2, 2004, voters approved a \$3.87 billion local Measure R bond authorization. On November 8, 2005, voters approved a \$3.985 billion local Measure Y bond authorization. The three authorizations provide funds to repair and modernize existing District schools, build new schools to relieve overcrowding and fund additional capital projects. The District has issued \$3.2 billion of Measure K bonds, \$3.0 billion of Measure R bonds and \$2.1444 billion of Measure Y bonds to date.

This Board Report and the attached Resolutions provide for approval of the forms of Preliminary Official Statements, Bond Purchase Agreements, Notices Inviting Proposals, Notices of Intention to Sell and Continuing Disclosure Certificates for the issuance in one or more series of the 2010 Bonds under either the Education Code (Attachment A) or the Government Code (Attachment B).

The District may issue portions of the 2010 Bonds as (a) QSCBs, which do not require interest to be paid; the District received an allocation of \$318 million of QSCBs as part of the ARRA signed by President Obama in February, 2009, and is expecting a similar allocation to be announced for 2010; there is also a potential legislative change that would permit QSCBs to be issued as Build America Bonds (discussed in the next sub bullet), (b) Build America Bonds (BABs), a taxable bond structure which permits the District to receive a cash subsidy from the U.S. Treasury to offset taxable interest on the 2010 Bonds issued as BABs and (c) CREBs, which allow an investor to earn a 70% tax credit that in turn permits the bonds to be sold at a reduced interest cost; the District has received a CREBs allocation in the amount of \$120.51 million to fund solar energy projects at 90 schools. The QSCB, CREBs and BABs programs last only two years, so the District wants to take



LOS ANGELES UNIFIED SCHOOL DISTRICT Board of Education Report

full advantage of the programs while it can. To demonstrate how cost-effective the ARRA structures can be, the District was able to save taxpayers about \$648 million when QSCBs and BABs were used in the October 2009 bond sale versus traditional bonds. Importantly, the District achieved the lowest true interest cost (3.35%) of any general obligation bonds in the District's history because of the ARRA structures.

Internal Revenue Services guidelines require a Reimbursement Resolution to be in place in order to facilitate any reimbursements of advanced expenditures from bond proceeds. The attached Reimbursement Resolution (Attachment C) provides for proceeds of any QSCBs to be used to reimburse Measures R and/or Y, as the case may be, for any expenditures on QSCB-eligible projects beginning on the allocation date of QSCBs. The attached Reimbursement Resolution (Attachment D) provides for proceeds of any CREBs to be used to reimburse Measures R, Y, or Q as the case may be, for any expenditures on CREBs-eligible projects beginning on November 13, 2009. The Board has previously adopted similar reimbursement resolutions for Proposition BB and Measures K, R and Y in the past.

Effective January 1, 2007, AB 1482 applies to all new money general obligation bonds issued by school and community college districts in California. The intent of AB 1482 is to provide transparency in the bond issuance process, namely, by requiring a school district to publicly identify the names of the Financial Advisor, Bond Counsel, Disclosure Counsel, and Underwriter(s) and the detailed, estimated costs of issuance for the bonds. Finance hereby provides the names of the Financial Advisor, Bond Counsel, Disclosure Counsel and Underwriters below, with Section 20 of the Resolution set forth in Attachment A containing this information as well. In addition, the estimated costs of issuance of the 2010 Bonds are presented as Attachment E. A detailed summary of the actual final costs of issuance will be provided to the Board and the public once the 2010 Bonds have been sold.

AB 1482 also requires the governing body to declare the method of sale of the bonds and the reason(s) for the selected method of sale. Because (a) the District hopes to take advantage of certain bond structures permitted under ARRA and such structures (QSCBs, CREBs and BABs) are not entirely conducive to a competitive sale format, and (b) at least a portion of the overall issuance of the 2010 Bonds will benefit from extensive pre-marketing efforts not available with a competitive sale, a negotiated sale format best addresses the District's objective to minimize taxpayer cost on at least a portion of the 2010 Bonds. In addition, a negotiated sale format allows the District to access the widest possible range of investors and the most efficient couponing and bond structure, as overseen by the District's Financial



LOS ANGELES UNIFIED SCHOOL DISTRICT

Board of Education Report

Advisor. Alternatively, Finance believes a portion but not all of the 2010 Bonds may be effectively sold on a competitive basis, although the particular mix of negotiated and competitively sold bonds, if any, will not be known until the District is ready to enter the market. Finance believes it is important to have flexibility to use either a negotiated or competitive sale format to take advantage of market conditions and to adjust the plan of finance accordingly.

The District has successfully used the competitive sale format for prior general obligation bond issues as well as TRANs issues. In addition, the District has successfully used the negotiated sale format on prior general obligation bond, COPs, and TRANs issues. Thus, the District has successfully used both sale formats from time to time when circumstances favor one method over the other.

The Chief Financial Officer recommends the following team of firms from the financial advisor, bond counsel and underwriter benches to execute the 2010 Bonds financing: Tamalpais Advisors, Inc. – Kelling, Northcross & Nobriga, A Joint Venture, as Financial Advisor; Sidley Austin LLP as Bond and Tax Counsel; Hawkins Delafield & Wood LLP, as Disclosure Counsel; Citigroup Global Markets and Goldman, Sachs & Co., as Senior Managers, Barclays Capital, Citigroup Global Markets, Goldman, Sachs & Co. and Morgan Stanley as Joint Book-Running Managers, Morgan Stanley as co-senior manager, and De La Rosa & Co., Ramirez & Co., Inc., Rice Financial. Stone & Youngberg and RBC Capital Markets, as co-managers. The Chief Financial Officer also recommends U.S. Bank National Association, to serve as Paying Agent for the 2010 Bonds.

Finally, the Chief Financial Officer recommends that the Board approve the forms of the legal documents and one or more Preliminary Official Statements, Bond Purchase Agreements, Notices Inviting Proposals, Notices of Intention to Sell and Continuing Disclosure Certificates that are needed in order to execute the transaction and market the 2010 Bonds to investors.

Attachments:

Attachment A: Resolution of Issuance Under the Education Code

Attachment B: Resolution of Issuance Under the Government Code

Informative

Attachment C: Reimbursement Resolution for QSCBs

**Desegregation
Impact Statement**

Attachment D: Reimbursement Resolution for CREBs

Attachment E: Estimated Costs of Issuance of the 2010 Bonds



LOS ANGELES UNIFIED SCHOOL DISTRICT
Board of Education Report

Respectfully submitted,

RAMON C. CORTINES
Superintendent of Schools

APPROVED &
PRESENTED BY:


MEGAN K. REILLY
Chief Financial Officer

APPROVED BY:


JAMES MORRIS
Chief Operating Officer

REVIEWED BY:


DAVID HOLMQUIST
General Counsel

No legal issues

Legal informative

REVIEWED BY:



YUMI TAKAHASHI
Budget Director

No budget issues

Budget Informative



LOS ANGELES UNIFIED SCHOOL DISTRICT
Board of Education Report

Attachment A
Resolution Authorizing Issuance of the 2010 Bonds Under the Education Code

RESOLUTION OF THE BOARD OF EDUCATION OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT AUTHORIZING THE SALE AND ISSUANCE OF ONE OR MORE SERIES OR SUBSERIES OF LOS ANGELES UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS IN THE FORM OF TAX-EXEMPT BONDS, BUILD AMERICA BONDS, QUALIFIED SCHOOL CONSTRUCTION BONDS AND CLEAN RENEWABLE ENERGY BONDS OR ANY COMBINATION THEREOF UNDER THE HEREIN REFERENCED MEASURE K AUTHORIZATION, MEASURE R AUTHORIZATION AND MEASURE Y AUTHORIZATION OR ANY COMBINATION THEREOF IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$150,000,000 WITH RESPECT TO BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE K AUTHORIZATION, \$870,000,000 WITH RESPECT TO BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE R AUTHORIZATION AND \$1,840,000,000 WITH RESPECT TO BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE Y AUTHORIZATION, APPROVING THE SALE OF SUCH BONDS BY COMPETITIVE SALE PURSUANT TO THE NOTICE INVITING PROPOSALS OR NEGOTIATED SALE PURSUANT TO THE BOND PURCHASE AGREEMENTS THEREFOR, APPROVING THE FORMS OF BOND PURCHASE AGREEMENT, NOTICE OF INTENTION TO SELL AND THE NOTICE INVITING PROPOSALS AND AUTHORIZING THE EXECUTION AND DELIVERY OF SAID BOND PURCHASE AGREEMENTS, THE NOTICE INVITING PROPOSALS, ONE OR MORE CONTINUING DISCLOSURE CERTIFICATES AND ONE OR MORE TAX CREDIT SEPARATION CERTIFICATES, AUTHORIZING THE PREPARATION, DISTRIBUTION, EXECUTION AND DELIVERY OF THE OFFICIAL STATEMENTS FOR SAID BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES RELATING TO SAID BONDS

WHEREAS, an election was duly called and regularly held in the Los Angeles Unified School District, County of Los Angeles, California (the "District") on November 5, 2002, pursuant to Section 1(b)(3) of Article XIII A of the State of California (the "State") Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the Education Code (the "Education Code") of the State (the "Act"), and thereafter canvassed pursuant to law ("Measure K"); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$3.35 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure K Authorization") and the District has previously issued \$3.20 billion of such general obligation bonds under the Measure K Authorization; and

WHEREAS, an election was duly called and regularly held in the District on March 2, 2004, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and the Act, and thereafter canvassed pursuant to law ("Measure R"); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election a question as to the issuance and sale of general obligation bonds of the District for

various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$3.87 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure R Authorization") and the District has previously issued \$3.00 billion of such general obligation bonds under the Measure R Authorization, and

WHEREAS, an election was duly called and regularly held in the District on November 8, 2005, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and the Act, and thereafter canvassed pursuant to law ("Measure Y", and together with Measure K and Measure R, the "Measures"); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$3.985 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure Y Authorization") and the District has previously issued \$2.144 billion million of such general obligation bonds under the Measure Y Authorization; and

WHEREAS, this Board of Education of the District (the "Board of Education") deems it necessary and desirable that the Board of Supervisors (the "Board of Supervisors") of the County of Los Angeles (the "County") shall authorize and consummate the sale of bonds pursuant to the Measure K Authorization and provide for the issuance of such bonds in one or more series or subseries or as a portion of one or more series of bonds in combination with bonds authorized pursuant to the Measure R Authorization and the Measure Y Authorization pursuant to Section 15231 of the Education Code and as provided below (as a separate series or subseries or in combination with bonds authorized under the Measure R Authorization and Measure Y Authorization, the "Measure K Bonds"), in an aggregate principal amount attributable to the Measure K Authorization not to exceed \$150,000,000, according to the terms and in the manner hereinafter set forth; and

WHEREAS, this Board of Education deems it necessary and desirable that the Board of Supervisors shall authorize and consummate the sale of bonds pursuant to the Measure R Authorization and provide for the issuance of such bonds in one or more series or subseries or as a portion of one or more series of bonds in combination with bonds authorized pursuant to the Measure K Authorization and the Measure Y Authorization pursuant to Section 15231 of the Education Code and as provided below (as a separate series or subseries or in combination with bonds authorized under the Measure K Authorization and Measure Y Authorization, the "Measure R Bonds"), in an aggregate principal amount attributable to the Measure R Authorization not to exceed \$870,000,000, according to the terms and in the manner hereinafter set forth; and

WHEREAS, this Board of Education of the District deems it necessary and desirable that the Board of Supervisors shall authorize and consummate the sale of bonds pursuant to the Measure Y Authorization and provide for the issuance of such bonds in one or more series or subseries or as a portion of one or more series of bonds in combination with bonds authorized pursuant to the Measure K Authorization and the Measure R Authorization pursuant to Section 15231 of the Education Code and as provided below (as a separate series or subseries or in

combination with bonds authorized under the Measure K Authorization and Measure R Authorization, the “Measure Y Bonds”), in an aggregate principal amount attributable to the Measure Y Authorization not to exceed \$1,840,000,000, according to the terms and in the manner hereinafter set forth; and

WHEREAS, this Board of Education of the District deems it necessary and desirable that the Board of Supervisors shall provide that the bonds issued pursuant to and attributable to the Measure K Authorization as one or more stand-alone series be designated the “Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series E (2010)”, with such other series, subseries or additional designations as may be approved in accordance with the provisions of this Resolution; and

WHEREAS, this Board of Education of the District deems it necessary and desirable that the Board of Supervisors shall provide that the bonds issued pursuant to and attributable to the Measure R Authorization as one or more stand-alone series be designated the “Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series J (2010)”, with such other series, subseries or additional designations as may be approved in accordance with the provisions of this Resolution; and

WHEREAS, this Board of Education of the District deems it necessary and desirable that the Board of Supervisors shall provide that the bonds issued pursuant to and attributable to the Measure Y Authorization as one or more stand-alone series be designated the “Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series I (2010)”, with such other series, subseries or additional designations as may be approved in accordance with the provisions of this Resolution; and

WHEREAS, this Board of Education deems it necessary and desirable that the Board of Supervisors of the County shall provide that bonds issued pursuant to and attributable to the Measure K Authorization, the Measure R Authorization and the Measure Y Authorization or any combination thereof may be grouped in one or more series to be designated the “Los Angeles Unified School District General Obligation Bonds, Series KRY (2010)” (the “Series KRY Bonds”) with such additional designations as Tax-Exempt Bonds, Build America Bonds, Qualified School Construction Bonds, and Clean Renewable Energy Bonds, as the case may be, and such other series, subseries or additional designations as may be approved in accordance with the provisions of this Resolution, in an aggregate principal amount not to exceed \$2,184,795,000, according to the terms and in the manner hereinafter set forth (the “Bonds”); and

WHEREAS, the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”) grants a national allocation to provide for the issuance of qualified school construction bonds (the “Qualified School Construction Bonds”), in accordance with the qualified tax credit bond program (the “QSCB Tax Credit Program”) provided for in Section 54A and Section 54F of the Internal Revenue Code of 1986, as amended (the “Code”), and an allocation is expected to be granted to the District for calendar year 2010 (the “QSCB District Allocation”) to provide financing for specific projects in accordance with the Recovery Act; and

WHEREAS, the Heartland, Habitat, Harvest and Horticulture Act of 2008 (the “CREBs Act”) grants a national allocation of \$800 million, which allocation has been increased to \$2.4 billion pursuant to the Recovery Act, to provide for the issuance of clean renewable energy bonds (the “Clean Renewable Energy Bonds”), in accordance with the qualified tax credit bond program (the “CREB Tax Credit Program”, and together with the “QSCB Tax Credit Program, the “Tax Credit Programs”) provided for in Section 54A and Section 54C of the Code, and allocations have been granted to the District (the “CREB District Allocations”, and together with the QSCB District Allocation, the “District Allocations”) to provide financing for specific projects in accordance with the CREBs Act; and

WHEREAS, the District deems it necessary and desirable to use all or a portion of the District Allocations to issue and sell a portion of the Bonds pursuant to the Tax Credit Programs, if it is so determined by an Authorized Officer to be in the best interest of the District, such determination to be evidenced by the issuance of such portion of the Bonds; and

WHEREAS, the District deems it necessary and desirable to issue a portion of the Bonds as “Build America Bonds” in accordance with the Recovery Act if it is so determined by an Authorized Officer to be in the best interest of the District, such determination to be evidenced by the issuance of such portion of the Bonds; and

WHEREAS, pursuant to Section 15146 of the Education Code, the District has found and determined that it is necessary and desirable to authorize the sale of all or a portion of the Bonds by one or more negotiated sales to Citigroup Global Markets Inc, Goldman, Sachs & Co., Morgan Stanley & Co., Incorporated and Barclays Capital, as senior managers, along with the co-senior managers and co-managers as shall be set forth in each Bond Purchase Agreement herein authorized, each of whom is a member of the District’s underwriting bench as of the date hereof (together with co-senior managers and the co-managers to be named in the herein referenced Bond Purchase Agreements and herein identified, the “Underwriters”). All or a part of the Bonds are authorized to be issued and sold for the purposes for which the Bonds have been authorized, by a competitive sale pursuant to one or more Notice Inviting Proposals for Purchase of Bonds (each, a “Notice Inviting Proposals”) or a negotiated sale pursuant to one or more Bond Purchase Agreements (each, a “Bond Purchase Agreement”) (i) to provide flexibility in the timing of the sale of the Bonds, (ii) to effect a lower overall cost of borrowing, (iii) to provide flexibility in the debt structure, and (iv) to increase the opportunity to pre-market the Bonds; and

WHEREAS, there has been presented to this meeting of this Board of Education proposed forms of the Preliminary Official Statements relating to the Bonds (collectively, the “Preliminary Official Statement”), the Bond Purchase Agreement, the Notice of Intention (as defined herein), the Notice Inviting Proposals, the Continuing Disclosure Certificate of the District with respect to the Bonds (each, a “Continuing Disclosure Certificate”) and the Tax Credit Separation Certificate in connection with the Tax Credit Programs under the Recovery Act and CREBs Act (the “Tax Credit Separation Certificate”);

WHEREAS, all acts, conditions and things required by law to have been done or performed to date in connection with the issuance of the Bonds have been done and performed in strict conformity with the laws authorizing the issuance thereof, and the indebtedness of the District herein proposed is within all limits prescribed by law; and

NOW, THEREFORE, THE BOARD OF EDUCATION OF LOS ANGELES UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:

Section 1. Recitals. All of the above recitals are true and correct.

Section 2. Definitions. For the purposes of this District Resolution, unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this District Resolution, have the meanings specified herein. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa.

“Accreted Value” shall mean with respect to: (i) any Capital Appreciation Bond, as of any date of calculation, the sum of the principal amount thereof and the interest accreted thereto as of such date of calculation, accreted and compounded from the date of initial issuance at the stated accretion rate thereof on each January 1 and July 1, or as otherwise stated in the Bond Purchase Agreement or the Notice Inviting Proposals, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months; and (ii) any Convertible Capital Appreciation Bond, as of any date of calculation prior to the Conversion Date, the sum of the Principal Amount thereof and the interest accreted thereto as of such date of calculation, accreted and compounded from the date of initial issuance at the stated accretion rate thereof on each January 1 and July 1, or as otherwise stated in the Bond Purchase Agreement or the Notice Inviting Proposals, as applicable, assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

“Accountable Event of Loss of Clean Renewable Energy Bond Status” shall mean (a) any act or any failure to act on the part of the District constituting a breach of a covenant or agreement of the District contained in the Resolutions (defined below) or the related Tax Credits Separation Certificate which causes the Clean Renewable Energy Bonds to lose their status, or fail to qualify, as Clean Renewable Energy Bonds, (b) the making by the District of any representation contained in the Resolutions (defined below) or the related Tax Credits Separation Certificate which was untrue when made and the untruth of which representation at such time causes the Clean Renewable Energy Bonds to lose their status, or fail to qualify, as Clean Renewable Energy Bonds, or (c) any other event as may be provided in a Bond Purchase Agreement with respect to the Clean Renewable Energy Bonds.

“Accountable Event of Loss of Qualified School Construction Bond Status” shall mean (a) any act or any failure to act on the part of the District constituting a breach of a covenant or agreement of the District contained in the Resolutions (defined below) or the related Tax Credits Separation Certificate which causes the Qualified School Construction Bonds issued as tax credit bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds, (b) the making by the District of any representation contained in the Resolutions (defined below) or the related Tax Credits Separation Certificate which was untrue when made and the untruth of which representation at such time causes the Qualified School Construction Bonds issued as tax credit bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds, or (c) any other event as may be provided in a Bond Purchase Agreement with respect to the Qualified School Construction Bonds.

“Authorized Denominations” shall mean denominations of \$5,000 principal amount, maturity value or conversion value (maturity value and conversion value is referred to herein as “Accreted Value”), as applicable, or any integral multiple thereof; provided, however, that (i) with respect to Qualified School Construction Bonds and Principal Strip Certificates thereof, \$40,000 or any integral multiple thereof; (ii) with respect to Clean Renewable Energy Bonds and Principal Strip Certificates thereof, if any, \$40,000 or any integral multiple thereof or such other amount as may be determined by an Authorized District Officer; (iii) with respect to Interest Bearing Bonds prior to any separation of Cash Interest Certificates from the Principal Component thereof, \$5,000 or any integral multiple thereof; (iv) with respect to Interest Bearing Bonds and the Principal Strip Certificates thereof subsequent to any separation of the Cash Interest Certificates from the Principal Component thereof, \$40,000 or any integral multiple thereof; (v) with respect to Tax Credit Certificates and Cash Interest Certificates for any single Tax Credit Allowance Date, the Authorized Denominations shall mean the amount set forth in the Tax Credits Separation Certificate and the applicable Bond Purchase Agreement, which is an amount equal to \$40,000, or such other amount as may be determined by an Authorized Officer, multiplied by the Tax Credit Rate and divided by four (4), or any integral multiple thereof, and provided further that the Authorized Denomination for Tax Credit Certificates or Cash Interest Certificates with respect to the first Tax Credit Allowance Date shall be as provided in the related Tax Credits Separation Certificate as provided in or supplemented by the applicable Bond Purchase Agreement.

“Authorized Officer” shall mean any of the Chief Financial Officer, the Controller, or any other officer of the District authorized by the Chief Financial Officer or the Controller.

“Bonds” shall mean, collectively, the Series KRY Bonds, the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds.

“Build America Bonds” shall mean those Bonds designated as such pursuant to Section 5(e) of this Resolution in accordance with Section 54AA to the Code.

“Capital Appreciation Bonds” shall mean bonds that accrete interest on a compounded basis, payable, together with the initial principal amount thereof, solely at maturity.

“Cash Interest Certificates” shall mean the certificates evidencing interest payment entitlement with respect to any Qualified School Construction Bond or Clean Renewable Energy Bond, executed and delivered in accordance with the Resolutions (defined below) and the related Tax Credits Separation Certificate, from and after a Tax Credit Conversion Date, which certificates evidence the entitlement of the owner thereof to cash interest payment or payments with respect to any Qualified School Construction Bond or Clean Renewable Energy Bond, the cash interest payments and Principal Components related to which have been separated therefrom pursuant to the Resolutions (defined below) and the related Tax Credits Separation Certificate.

“Chief Financial Officer” shall mean the Chief Financial Officer of the District.

“Clean Renewable Energy Bonds” shall mean those Bonds designated as clean renewable energy bonds pursuant to Section 5(e) within the meaning of and as defined in Section 54C of the Code.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Controller” shall mean the Controller of the District.

“County Resolution” shall mean the resolution of the Board of Supervisors of the County of Los Angeles, California approving the financing described herein.

“Convertible Capital Appreciation Bonds” shall mean bonds that accrete interest semiannually to the Conversion Date thereof and from and after the Conversion Date thereof bear interest payable semiannually on a current basis.

“Conversion Date” shall mean the date upon which a Convertible Capital Appreciation Bond commences bearing interest payable semiannually on a current basis, which date shall be set forth in the Bond Purchase Agreement or the Notice Inviting Proposals.

“Conversion Value” shall mean, for each Convertible Capital Appreciation Bond, the accumulation of earned interest from their initial principal amount on the date of delivery thereof to the Conversion Date.

“County Treasurer” shall mean the Treasurer-Tax Collector of the County.

“Date of Determination of Loss of Clean Renewable Energy Bond Status” means the date on which the Internal Revenue Service or a court of competent jurisdiction has issued to the District a Determination of Loss of Clean Renewable Energy Bond Status.

“Date of Determination of Loss of Qualified School Construction Bond Status” means the date on which the Internal Revenue Service or a court of competent jurisdiction has issued to the District a Determination of Loss of Qualified School Construction Bond Status.

“Date of Loss of Clean Renewable Energy Bond Status” shall mean the date specified in a Determination of Loss of Clean Renewable Energy Bond Status as the date from and after which the Clean Renewable Energy Bonds lost their status, or failed to qualify, as Clean Renewable Energy Bonds as a result of an Accountable Event of Loss of Clean Renewable Energy Bond Status.

“Date of Loss of Qualified School Construction Bond Status” shall mean the date specified in a Determination of Loss of Qualified School Construction Bond Status as the date from and after which the Qualified School Construction Bonds, if issued as tax credit bonds, lost their status, or failed to qualify, as Qualified School Construction Bonds as a result of an Accountable Event of Loss of Qualified School Construction Bond Status.

“Determination of Loss of Clean Renewable Energy Bond Status” shall mean (i) a final determination by the Internal Revenue Service (after the District has exhausted all administrative appeal remedies) determining that an Accountable Event of Loss of Clean Renewable Energy

Bond Status has occurred and specifying the Date of Loss of Clean Renewable Energy Bond Status and the amount of Clean Renewable Energy Bonds that are subject to the Accountable Event of Loss of Clean Renewable Energy Bond Status, (ii) a non-appealable holding by a court of competent jurisdiction holding that an Accountable Event of Loss of Clean Renewable Energy Bond Status has occurred and specifying the Date of Loss of Clean Renewable Energy Bond Status, or (iii) any other event as may be provided in a Bond Purchase Agreement with respect to the Clean Renewable Energy Bonds.

“Determination of Loss of Qualified School Construction Bond Status” shall mean (i) a final determination by the Internal Revenue Service (after the District has exhausted all administrative appeal remedies) determining that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status and the amount of Qualified School Construction Bonds that are subject to the Accountable Event of Loss of Qualified School Construction Bond Status, (ii) a non-appealable holding by a court of competent jurisdiction holding that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status, or (iii) any other event as may be provided in a Bond Purchase Agreement with respect to the Qualified School Construction Bonds.

“District Resolution” shall mean this resolution of the Board of Education upon its approval by the Board of Education of the District and execution by the Executive Officer of the Board of Education.

“Interest and Sinking Fund” shall mean each fund designated as the “Los Angeles Unified School District General Obligation Bond Series KRY(2010) Interest and Sinking Fund” with such additional designations as Tax-Exempt Bonds, Taxable Bonds, Build America Bonds, Qualified School Construction Bonds, and Clean Renewable Energy Bonds (Tax Credit Bonds), as the case may be, and such other additional designations to refer to each applicable Measure for the applicable Bonds and used only for payment of principal of and/or interest on the Bonds of such series or subseries for such Measure.

“Interest Bearing Bonds” shall mean the Qualified School Construction Bonds issued as tax credit bonds and/or the Clean Renewable Energy Bonds from and after the Tax Credit Conversion Date with respect to such issue of Qualified School Construction Bonds issued as tax credit bonds or Clean Renewable Energy Bonds as the case may be, if any.

“Investment Agreements” shall mean, collectively, investment agreements, guaranteed investment contracts, float contracts or other investment products subject to the requirements set forth in Section 10 hereof.

“Opinion of Bond Counsel” shall mean an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds.

“Opinion of Special Tax Counsel” shall mean an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds qualified to conclude whether an action or proposed action or the failure to act or proposed failure to act for which the opinion is required will affect the exclusion of the interest on the Tax-Exempt Bonds from gross income

for federal income tax purposes, affect the qualification of the Qualified School Construction Bonds under Section 54F of the Code, or affect the qualification of the Clean Renewable Energy Bonds under Section 54C of the Code, or affect the designation of the Build America Bonds under Section 54AA of the Code, as applicable, or affect the allowance of a credit under Section 6431 of the Code.

“Paying Agent” shall mean the County Treasurer or any bank, trust company, national banking association or other financial institution appointed as authenticating agent, bond registrar, transfer agent and paying agent for the Bonds in the manner provided in this Resolution.

“Principal Components” shall mean the principal payment with respect to any Qualified School Construction Bond, Clean Renewable Energy Bond or Interest Bearing Bond, as applicable, the Tax Credits and/or cash interest payments related to which have been separated therefrom pursuant to the Resolutions and the related Tax Credits Separation Certificate.

“Principal Strip Certificates” shall mean the certificates evidencing principal component entitlement related to any Qualified School Construction Bond issued as a tax credit bond, Clean Renewable Energy Bond or Interest Bearing Bond, as applicable, executed and delivered in accordance with the Resolutions and the related Tax Credit Separation Certificate, which certificates evidence the entitlement of the owner thereof to the Principal Components with respect to any Qualified School Construction Bond issued as a tax credit bond, Clean Renewable Energy Bond or Interest Bearing Bond, as applicable, the Tax Credits or Cash Interest Certificates related thereto which have been separated therefrom pursuant to the Resolutions and the related Tax Credit Separation Certificate.

“Qualified School Construction Bonds” shall mean those Bonds designated as qualified school construction bonds pursuant to Section 5(e) within the meaning of and as defined in Section 54F of the Code. The Qualified School Construction Bonds may be issued as tax credit bonds or direct subsidy bonds.

“Resolutions” shall mean the District Resolution and the County Resolution.

“Rule 15c2-12” shall mean Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

“Tax Credit Allowance Date” shall mean, with respect to Qualified School Construction Bonds issued as tax credit bonds and Clean Renewable Energy Bonds, each March 15, June 15, September 15 and December 15 of each year and the maturity date of such Qualified School Construction Bonds or Clean Renewable Energy Bonds, beginning as provided in the related Tax Credits Separation Certificate and ending on the maturity date of the related Qualified School Construction Bond or Clean Renewable Energy Bond.

“Tax Credit Certificate” shall mean the certificates evidencing tax credit entitlement related to any Qualified School Construction Bond issued as a tax credit bond or Clean Renewable Energy Bond, executed and delivered in accordance with the Resolutions and the related Tax Credit Separation Certificate, which certificates evidence the entitlement of the owner thereof to a Tax Credit with respect to the related Qualified School Construction Bond or

Clean Renewable Energy Bond, the Principal Components related thereto which have been separated therefrom pursuant to the Resolutions and the related Tax Credit Separation Certificate.

“Tax Credit Conversion Date” shall mean, with respect to the Qualified School Construction Bonds issued as tax credit bonds and the Clean Renewable Energy Bonds (i) the Date of Determination of Loss of Qualified School Construction Bond Status or Date of Determination of Loss of Clean Renewable Energy Bond Status, respectively, (ii) the date that the Paying Agent receives written notice from the District of its election to convert the Qualified School Construction Bonds issued as tax credit bonds or Clean Renewable Energy Bonds to Interest Bearing Bonds as provided in the related Tax Credits Separation Certificate, or (iii) such other date as may be provided in a Bond Purchase Agreement with respect to the Qualified School Construction Bonds issued as tax credit bonds or Clean Renewable Energy Bonds.

“Tax Credit Separation Certificate” shall mean the certificate executed and delivered by the District and the County in connection with the issuance of the Qualified School Construction Bonds issued as tax credit bonds or the certificate executed and delivered by the District and the County in connection with the issuance of the Clean Renewable Energy Bonds providing the terms and conditions pursuant to which: (i) the ownership of the Principal Component of a Qualified School Construction Bond or Clean Renewable Energy Bond is separated from the ownership of the related Tax Credit Certificate; (ii) the ownership of the Principal Component of an Interest Bearing Bond may be separated from the entitlement of the Owner thereof to the related cash interest payment; (iii) the ownership of Principal Strip Certificates and Tax Credit Certificates may be recombined into Qualified School Construction Bonds or Clean Renewable Energy Bonds; and (iv) the ownership of Principal Strip Certificates and Cash Interest Certificates may be recombined into Interest Bearing Bonds.

“Tax Credits” shall mean the entitlement, pursuant to Section 54A(a) of the Code, of a taxpayer to recognize a credit against the tax imposed by Chapter 1 of the Code, as modified, and in the case of Clean Renewable Energy Bonds by Section 54C(b) of the Code.

“Tax-Exempt Bonds” shall mean the series or subseries of the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds or any combination thereof bearing interest that is excluded from gross income for federal income tax purposes under Section 103 of the Code.

“Taxable Bonds” shall mean the series or subseries of the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds or any combination thereof bearing interest that is federally taxable.

Section 3. Purpose of Bonds. The proceeds of the Bonds issued under and attributable to the Measure K Authorization, the Measure R Authorization and the Measure Y Authorization will be applied for the purposes specified in the Measure K Authorization, the Measure R Authorization and the Measure Y Authorization, as applicable.

Section 4. Sale of Bonds. The Board of Supervisors is hereby requested to sell by competitive sale or negotiated sale general obligation bonds of the District in one or more series or subseries as follows: (i) Measure K Bonds designated as “Los Angeles Unified School District

General Obligation Bonds, Election of 2002, Series E (2010)” in an aggregate principal amount not to exceed \$150,000,000, (ii) Measure R Bonds designated as “Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series K (2010)” in an aggregate principal amount not to exceed \$870,000,000, (iii) Measure Y Bonds designated as “Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series I (2010)” in an aggregate principal amount not to exceed \$1,840,000,000, or any combination thereof as may be grouped in one or more series to be designated the “Los Angeles Unified School District General Obligation Bonds, Series KRY (2010) (the “Series KRY Bonds”) with such additional designations as Tax-Exempt Bonds, Taxable Bonds, Build America Bonds, Qualified School Construction Bonds (Tax-Credit Bonds), Qualified School Construction Bonds (Direct Subsidy) and Clean Renewable Energy Bonds (Tax-Credit Bonds), as the case may be, and such other series, subseries or additional designations as may be set forth in one or more Bond Purchase Agreements or Notice Inviting Proposals, or a combination thereof, in an aggregate principal amount not to exceed \$2,184,795,000.

Section 5. Terms of Bonds.

(a) Date of Bonds. Each series or subseries of Bonds shall be dated the date as shall be set forth in the Bond Purchase Agreement or the Notice Inviting Proposals relating to such series or subseries of Bonds.

(b) Denominations and Maturity. The Bonds shall be issued in Authorized Denominations. Each series or subseries of Bonds shall mature on the dates and have conversion dates, if any, in each of the years in the principal amounts, accreted amounts and maturity values as shall be set forth in the Bond Purchase Agreement or the Notice Inviting Proposals with respect to such Bonds. No Bond shall mature later than such date as authorized by law.

(c) Interest. The Bonds shall bear or accrete interest computed on the basis of a 360 day year of twelve (12) 30-day months (or computed on such other basis as shall be set forth in the Bond Purchase Agreement with respect to such Bonds), payable or compounded, as applicable, on January 1 and July 1 in each year or on such other interest payment dates and commencing on such dates, all as shall be set forth in the Bond Purchase Agreement with respect to such Bonds. The related Tax Credits Separation Certificate relating to the Qualified School Construction Bonds issued as tax credit bonds and Clean Renewable Energy Bonds, as applicable, may provide that such Bonds shall not bear interest until such Bonds lose their status or fail to qualify as Qualified School Construction Bonds under Section 54F of the Code or fail to qualify as Clean Renewable Energy Bonds under Section 54C of the Code.

(d) Obligation. The obligation to pay principal or Accreted Value of, premium, if any, and interest on the Bonds is a statutory obligation of the District, payable as described in the Bond Purchase Agreement or the Notice Inviting Proposals with respect to such Bonds. The District hereby requests the Board of Supervisors of the County to annually levy a tax upon all taxable property in the District sufficient to pay the principal or Accreted Value of, premium, if any, and interest on the Bonds as and when the same become due. To the extent any portion of the Bonds are designated as Build America Bonds or Qualified School Construction Bonds (Direct Subsidy), any direct subsidy of interest paid to or on behalf of the District by the federal government under the provisions of the Recovery Act in connection with such Build America

Bonds or Qualified School Construction Bonds (Direct Subsidy) shall, promptly upon receipt by the District or the County, be deposited into the Interest and Sinking Funds of the District established for payment of such Build America Bonds. Without limiting the generality of the foregoing, the District hereby requests the Board of Supervisors of the County, in each fiscal year set forth in the Bond Purchase Agreement or the Notice Inviting Proposals, to include in the aforementioned levy the amounts to be set aside for payment of the Qualified School Construction Bonds and Clean Renewable Energy Bonds at maturity, as set forth in the Bond Purchase Agreement therefor.

(e) Designation of Qualified School Construction Bonds, Clean Renewable Energy Bonds and Build America Bonds; Determination in Connection with Federally Taxable Bonds.

A portion of the Bonds may be designated as (i) Qualified School Construction Bonds in accordance with Section 54F of the Code, (ii) Clean Renewable Energy Bonds in accordance with Section 54C of the Code and (iii) Build America Bonds in accordance with Section 54AA of the Code. In accordance with Section 5903 of the Government Code, this Board of Education hereby determines that the interest payable on the portion of Bonds to be issued as Qualified School Construction Bonds, Clean Renewable Energy Bonds and Build America Bonds will be subject to federal income taxation, as set forth in the related Bond Purchase Agreement and the related Tax Credits Separation Certificate, if any. An Authorized Officer may elect (i) pursuant to Section 54AA of the Code that with respect to the Bonds to be designated as Build America Bonds, in lieu of any tax credit allowed under Section 54AA of the Code, the District shall be allowed a tax credit as provided in Section 6431 of the Code, and (ii) pursuant to the Code that with respect to Bonds to be designated as Qualified School Construction Bonds (Direct Subsidy), in lieu of any tax credit allowed under Section 54A of the Code, the District shall be allowed a tax credit as provided in the Code.

(f) Designation of Paying Agent. The County Treasurer is designated to act as the initial Paying Agent. The County Treasurer is authorized to enter into a contract with a bank or trust company doing business in and having a corporate trust office in Los Angeles, California, with at least \$100,000,000 in net assets, to perform the services of the Paying Agent. If at any time the County Treasurer shall resign or be removed as the Paying Agent, the Authorized Officers are authorized with the prior consent of the County Treasurer to appoint any successor Paying Agent. If no successor Paying Agent is appointed by an Authorized Officer in a timely manner, the County Treasurer shall appoint a successor Paying Agent without further action by any Authorized Officer. The successor Paying Agent shall be a bank or trust company doing business in and having a corporate trust office in the County, with at least \$100,000,000 in net assets.

(g) Form of Bonds; Principal Strip Certificates, Tax Credit Certificates and Cash Interest Certificates. The Qualified School Construction Bonds that are issued as tax credit bonds and the Clean Renewable Energy Bonds may be issued in a form that permits the separation, under the Tax Credit Program, of the ownership of the Principal Component of such Qualified School Construction Bonds and Clean Renewable Energy Bonds, as applicable, from the entitlement of the owner thereof to the related Tax Credits evidencing the entitlement of the owner thereof to a Tax Credit with respect to such Qualified School Construction Bond, Clean Renewable Energy Bonds or the related Cash Interest Certificate evidencing the entitlement of the owner thereof to cash interest payment or payments with respect to the Qualified School

Construction Bond or Clean Renewable Energy Bond pursuant to the related Tax Credit Separation Certificate. The Qualified School Construction Bonds issued as tax credit bonds and the Clean Renewable Energy Bonds may be issued in a form that permits the separation of the Principal Component of a Bond that bears interest prior to the Tax Credit Conversion Date from the right to received such interest, and the recombination of such Principal Component and right to receive such interest pursuant to the related Tax Credit Separation Agreement. The Qualified School Construction Bonds and Clean Renewable Energy Bonds may be issued in a form that permits the separation of the ownership of the Principal Component of an Interest Bearing Bond, from and after a Tax Credit Conversion Date, from the related Cash Interest Certificate evidencing the entitlement of the owner thereof to cash interest payment or payments with respect to the Qualified School Construction Bond and Clean Renewable Energy Bond pursuant to the related Tax Credit Separation Certificate. Further, the Qualified School Construction Bonds and Clean Renewable Energy Bonds may be issued in a form that permits the recombination of Principal Strip Certificates and Tax Credit Certificates into Qualified School Construction Bonds and Clean Renewable Energy Bonds, as applicable, and the recombination of Principal Strip Certificates and Cash Interest Certificates into Interest Bearing Bonds pursuant to the related Tax Credit Separation Certificate. The Bonds, the Principal Strips Certificates, the Tax Credit Certificates, Cash Interest Certificates and any certificate evidencing the right to receive interest payable prior to a Tax Credit Conversion Date shall be issued with such terms and in such form as permitted or required by the County Resolution and the related Tax Credits Separation Certificate. The Authorized Officer is authorized to execute such Principal Strips Certificates, the Tax Credit Certificates Cash Interest Certificates and certificates evidencing the right to receive interest payable prior to a Tax Credit Conversion Date.

Section 6. Bond Insurance. The Financial Advisor (defined below), in cooperation with the County Treasurer and the District, is hereby authorized to solicit proposals from one or more municipal bond insurers, and, if the County Treasurer and the District determine it is in the best interests of the District, to arrange for the issuance of a policy of municipal bond insurance for one or more maturities of the Bonds and to execute and deliver an insurance commitment and all other documents necessary in connection therewith.

Section 7. Redemption Provisions. The Bonds shall be subject to redemption prior to their respective stated maturity dates as set forth in the related Bond Purchase Agreement or the Notice Inviting Proposals.

Section 8. Bond Purchase Agreement, Notice of Intention and Notice of Inviting Proposals.

(a) **Form of Bond Purchase Agreement.** The form of Bond Purchase Agreement on file with this Board of Education is hereby approved and any Authorized Officer is hereby authorized and directed on behalf of the District to execute and deliver one or more Bond Purchase Agreements with respect to one or more series or subseries of Bonds in substantially the form on file with the Board of Education, with such changes therein, including as may be made in connection with the issuance or sale of separate tax credits associated with certain Qualified School Construction Bonds or Clean Renewable Energy Bonds, as such Authorized Officer may require or approve. The approval of such Authorized Officer shall be conclusively evidenced by the execution and delivery of such Bond Purchase Agreement.

(b) Form of Notice of Intention and Notice Inviting Proposals. The form of Notice of Intention to Sell Bonds (the "Notice of Intention") attached hereto as Exhibit A is hereby approved and authorized to be published. The form and distribution of the Notice Inviting Proposals substantially in the form attached hereto as Exhibit B is hereby approved in connection with the offering and sale of the Bonds. The actions of the Financial Advisor (defined below), on behalf of the District, in distributing the Notice Inviting Proposals, to such municipal bond broker-dealers, to such banking institutions and to such other persons as may be interested in purchasing the Bonds therein offered for sale, are hereby approved. The Authorized Officers are hereby authorized and directed on behalf of the District to cause the sale of the Bonds pursuant to the Notice Inviting Proposals, with such changes as such Authorized Officer in consultation with the County Treasurer shall deem necessary or desirable to implement the sale of the Bonds consistent with the terms of this Resolution.

(c) Purchase Price. The purchase price for a series of Bonds shall be as set forth in the applicable Bond Purchase Agreement or the Notice Inviting Proposals, provided that (i) the true interest cost for the Tax-Exempt Bonds shall not be in excess of 7% per annum, the true interest costs for the Build America Bonds, taking into account the credit allowed under Section 6431 of the Code, shall not be in excess of 7% per annum and the true interest cost for the Qualified School Construction Bonds and Clean Renewable Energy Bonds shall not be in excess of 9% per annum; (ii) the Underwriters' compensation for any series of Bonds shall not exceed 1% of the aggregate principal amount of a series of Bonds sold under each Bond Purchase Agreement or Notice Inviting Proposals; and (iii) the Bonds shall otherwise conform to the limitations specified herein.

(d) Costs of Issuance. In accordance with Section 15146(b)(4) of the State Education Code, the costs associated with the issuance of the Bonds, as applicable, including the estimated underwriters' compensation, have been estimated to be \$13,590,302. The actual costs of issuance shall be presented to this Board of Education at its next scheduled public meeting following the sale of the Bonds.

Section 9. Authorization of Preliminary Official Statements and Official Statements.

(a) Preliminary Official Statements. The forms of the Preliminary Official Statement relating to the Tax-Exempt Bonds, the Build America Bonds and any refunding bonds previously authorized by the Board of Education, together with any bonds authorized on the date hereof under the California Government Code and the Preliminary Official Statement relating to the Qualified School Construction Bonds and the Clean Renewable Energy Bonds presented to this Board of Education, with such changes as any Authorized Officer acting singly may approve, are hereby approved. The Underwriters or the Financial Advisor (as applicable) are hereby authorized and directed to deliver copies of such Preliminary Official Statements in final form to persons who may be interested in purchasing the Bonds. Each Authorized Officer, acting singly, is hereby authorized to certify on behalf of the District, that each Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

(b) Official Statements. Official Statements in substantially the form of the Preliminary Official Statements (each an "Official Statement"), with such changes as each Authorized Officer, acting singly, may approve (including all information previously permitted to have been omitted by Rule 15c2-12), which approval shall be conclusively evidenced by execution by such Authorized Officer of the Official Statements and delivery thereof to the original purchasers of the Bonds within 7 business days of the sale of the Bonds, are hereby approved. Any Authorized Officer is hereby authorized and directed to execute such Official Statements with such changes therein, deletions therefrom and modifications thereto as such Authorized Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof

Section 10. Investment of Proceeds.

All funds attributable to the Bonds held by the County Treasurer on behalf of the District shall be invested by the County Treasurer or its agent in the County Investment Pool, the Local Agency Investment Fund, any investment authorized pursuant to Sections 53601 and 53635 of the State Government Code, or in any Investment Agreement; provided that such agreements comply with the requirements of Section 148 of the Code, to the extent applicable to the related series or subseries of Bonds, and with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds.

Subject to a determination by the Chief Financial Officer of the District, any Authorized Officer of the District may request the County Treasurer to invest funds held in the related Interest and Sinking Fund of the District or in the related Building Fund of the District in specific Investment Agreements. Pursuant to Section 5922 of the Government Code, this Board of Education hereby finds and determines that the Investment Agreements will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreements and are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments of proceeds of the Bonds and funds held to pay the Bonds. Subject to a determination by the Chief Financial Officer of the District, any Authorized Officer of the District may request the County Treasurer to deposit any investment of all or any portion of the related Building Fund or the related Interest and Sinking Fund of the District pursuant to California Education Code Section 41015 in accordance with the instructions of the Authorized Officer and California Education Code Section 41016.

Section 11. Tax Covenants.

(a) General. The District shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or inaction would adversely affect the exclusion from gross income of the interest payable on the Tax-Exempt Bonds under Section 103 of the Code. The District shall not take any action, or fail to take any action, or permit such action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or failure to take such action would adversely affect either the status of the Build America Bonds under Section 54AA of the Code or the credit allowed to the District or the County under

Section 6431 of the Code. The District shall not take any action, or fail to take any action, or permit such action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or failure to take such action would adversely affect either the status of the (i) Qualified School Construction Bonds under Section 54F of the Code, the credit allowed under Section 54A of the Code with respect to Qualified School Construction Bonds issued as tax credit bonds or the credit allowed to the District or the County under the Code, if any, with respect to under the Code with respect to Qualified School Construction Bonds issued as direct subsidy bonds or (ii) the Clean Renewable Energy Bonds under Section 54C of the Code or the credit allowed under Section 54A of the Code. In furtherance of the foregoing, the District shall comply with the provisions of the respective tax certificates to be executed and delivered by the District in connection with the issuance of the Tax Exempt Bonds, the Build America Bonds, the Qualified School Construction Bonds and the Clean Renewable Energy Bonds (each, a "Tax Certificate").

(b) Yield Restriction. In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the County Treasurer or any other party on behalf of the District, in accordance with this Resolution or pursuant to law, the District shall so request of the County Treasurer or such other party in writing, and the District shall make its best efforts to ensure that the County Treasurer or such other party shall take such action as may be necessary in accordance with such instructions.

(c) Reliance on Opinion of Special Tax Counsel. Notwithstanding any provision of this Section, if the District shall provide to the County Treasurer an Opinion of Special Tax Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Tax-Exempt Bonds, for the Qualified School Construction Bonds to continue to be qualified under Section 54A of the Code, and in the case of Qualified School Construction Bonds issued as direct subsidy bonds, for a credit to be continue to be allowed to the District or the County under the Code, the Clean Renewable Energy Bonds to continue to be qualified under Section 54A of the Code, or for the Build America Bonds to be designated as such under Section 54AA of the Code and for a credit to continue to be allowed to the District or the County under Section 6431 of the Code, the County Treasurer may conclusively rely on such opinion in complying with the requirements of this Section and of the applicable Tax Certificate and the covenants hereunder shall be deemed to be modified to that extent.

Section 12. Continuing Disclosure Certificate. The form of Continuing Disclosure Certificate attached hereto as Exhibit C is hereby approved. Any Authorized Officer is hereby authorized on behalf of the District to execute one or more Continuing Disclosure Certificates with respect to the Bonds in substantially the form attached hereto as Exhibit C, with such changes thereto as deemed necessary in order to permit the original purchasers of the Bonds to comply with the requirements of Rule 15c2-12. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of each Continuing Disclosure Certificate.

Section 13. Tax Credit Separation Certificate. The form of Tax Credit Separation Certificate on file with the Board of Education is hereby approved. Any Authorized Officer is hereby authorized on behalf of the District to execute the Tax Credit Separation Certificate with

respect to the Qualified School Construction Bonds issued as tax credit bonds and the Tax Credit Separation Certificate with respect to the Clean Renewable Energy Bonds in substantially the form on file with the Board of Education, with such changes therein as such Authorized Officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of such Tax Credit Separation Certificates. Pursuant to Section 5922 of the Government Code, this Board of Education hereby finds and determines that each Tax Credit Separation Certificate will result in a reduction in the amount or duration of payment and lower the cost of borrowing when used in combination with the Qualified School Construction Bonds or the Clean Renewable Energy Bonds.

Section 14. Approval of Actions; Further Actions. The President of this Board of Education, the Executive Officer of this Board of Education and any Authorized Officer are hereby authorized and directed to execute and deliver any and all agreements, certificates and representations, including but not limited to (i) signature certificates, no litigation certificates, and certificates concerning the contents of the Official Statement, (ii) representation letters to The Depository Trust Company, (iii) each Tax Certificate, (iv) any other certificates proposed to be distributed in connection with the sale of the Bonds, including in connection with any policy of municipal bond insurance or other credit enhancement, (v) any investment agreements entered into pursuant to the authority granted hereunder, and (vi) and any other agreements, letters, certificates or representations, which any of them deem necessary and desirable to accomplish the transactions authorized herein. All actions heretofore taken by the officers and agents of the Board with respect to the Bonds are hereby approved, confirmed and ratified. The Authorized Officers shall be and each of them is hereby authorized, empowered and directed to execute such other documents and take such other actions as they deem necessary or advisable to carry out and perform the purposes of this Resolution, the Bond Purchase Agreements, the Notice of Intention, the Notice Inviting Proposals, the Continuing Disclosure Certificates or the Tax Credit Separation Certificates.

Section 15. Notice to California Debt and Investment Advisory Commission. This Board of Education hereby authorizes and directs the Authorized Officers to cause notices of the proposed sale and final sale and itemized costs of issuance of the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to California Government Code Section 8855.

Section 16. Citizen's Oversight Committee. This Board of Education certifies that it has established and appointed and shall maintain an independent citizens' oversight committee pursuant to Section 15278 of the Education Code, to inform the public concerning the expenditure of proceeds of the Bonds by the date specified in such Section 15278.

Section 17. Bond Accountability Measures. This Board of Education certifies that it will conduct an annual, independent performance and financial audit to ensure that the funds approved by the voters have been expended only for the purposes authorized by Measure K or Measure R or Measure Y, as applicable, in accordance with Section 1(b) of Article XIII A of the California Constitution and Section 15264 et seq. of the Education Code. This Board of Education further certifies it will direct the Chief Financial Officer to cause to be filed with the Board no later than January 1, 2010, and at least once a year thereafter, the annual report

required pursuant to Measure K or Measure R or Measure Y, as applicable, and Section 53410 et seq. of the State Government Code.

Section 18. Filing with Board of Supervisors. Pursuant to Section 15140(a) of the Education Code, the Executive Officer of this Board of Education is hereby authorized and directed to file a certified copy of this Resolution with the Executive Officer-Clerk of the Board of Supervisors of the County.

Section 19. Filing with Auditor-Controller and Treasurer of the County. Pursuant to Section 15140(c) of the Education Code, the Executive Officer of this Board of Education or any Authorized Officer is also directed to cause a certified copy of this Resolution and a copy of the debt service schedule for the Bonds to be provided to the County Treasurer and to the Auditor-Controller of the County.

Section 20. Appointment of Financial Advisor, Bond Counsel, Disclosure Counsel and Special Tax Counsel; Underwriters. In connection with the District's issuance and sale of the Bonds, the Chief Financial Officer or her designee is hereby authorized to enter into agreements for Financial Advisor, Bond Counsel, Special Tax Counsel, Disclosure Counsel and other professional services on behalf of the District as may be necessary or appropriate. Bond Counsel and Special Tax Counsel to the District in connection with the issuance of the Bonds shall be Sidley Austin LLP. Disclosure Counsel to the District in connection with the issuance of the Bonds shall be Hawkins Delafield & Wood LLP. Tamalpais Advisors, Inc. – Kelling, Northcross & Nobriga, A Joint Venture, shall be the Financial Advisor to the District in connection with the issuance of the Bonds. The Underwriters of the Bonds to be sold at negotiated sale are Citigroup Global Markets Inc., Goldman, Sachs & Co., Morgan Stanley & Co., Incorporated and Barclays Capital, as senior and co-senior managers as shall be set forth in each Bond Purchase Agreement herein authorized and such other underwriters, each of whom shall be a member of the District's underwriting bench as of the date hereof, identified in each Bond Purchase Agreement, the identity of whom shall be presented to this Board of Education at its next scheduled public meeting following the sale of the Bonds.

Section 21. Effective Date. This Resolution shall take effect from and after its adoption.

Adopted and signed this 12th day of January, 2010, by the Board of Education of the Los Angeles Unified School District.

By: 
Jefferson Crain, Executive Officer of the Board

EXECUTIVE OFFICER'S CERTIFICATE

I, Jefferson Crain, Executive Officer of the Board of Education of the Los Angeles Unified School District, County of Los Angeles, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of said Board of Education of said District duly and regularly held at the regular meeting place thereof on January 12, 2010, at which meeting all of the members of said Board of Education had due notice and at which a quorum thereof was present; and at said meeting said resolution was adopted by the following vote:

AYES: 6

NOES: 1

ABSTAIN: 0

ABSENT: 0

An agenda of said meeting was posted at least 72 hours before said meeting at 333 South Beaudry Avenue, Los Angeles, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the adopted resolution on file and of record in my office. Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 15 day of January, 2010.

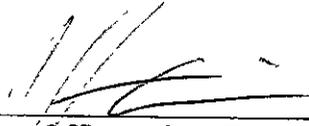
By: 
Executive Officer of the Board of Education of
Los Angeles Unified School District

EXHIBIT A

FORM OF NOTICE OF INTENTION TO SELL BONDS

\$ _____*
LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS

consisting of

- \$ _____*** **GENERAL OBLIGATION BONDS, ELECTION OF 2002, SERIES __ (2010)**
- \$ _____*** **GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES __ (2010)**
- \$ _____*** **GENERAL OBLIGATION BONDS, ELECTION OF 2005, SERIES __ (2010)**

NOTICE IS HEREBY GIVEN that electronic bids will be received by the Treasurer and Tax Collector (the "Treasurer") of the County of Los Angeles (the "County") on ____, 2010, at 9:00 a.m., Pacific Time, for the purchase of \$ _____* aggregate principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series __ (2010)" (the "Measure K Bonds"), \$ _____* aggregate principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series __ (2010)" (the "Measure R Bonds") and \$ _____* aggregate principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series __ (2010)" (the "Measure Y Bonds" and, together with the Measure K Bonds and the Measure R Bonds, the "Bonds"). [Separate proposals may be submitted for each series of Bonds.] Bids for the Bonds will be received exclusively and electronically through the PARITY Electronic Bid Submission System.

Within 26 hours of the deadline for the submission of bids, the Treasurer, in consultation with the Chief Financial Officer of the Los Angeles Unified School District, or a designee of either such officer, will consider the bids received and, if an acceptable bid or bids are received, award the sale of the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds on the basis of the respective true interest cost of each series of the Bonds so long as (i) the aggregate principal amount of the Measure K Bonds does not exceed \$ _____*, the aggregate principal amount of the Measure R Bonds does not exceed \$ _____*, and the aggregate principal amount of the Measure Y Bonds does not exceed \$ _____*, and (ii) the lowest true interest cost of each series of Bonds does not exceed __%. In the event that no bid is awarded by the designated time, the County will reschedule the sale to another date or time by providing notification through The Bond Buyer Wire. The County reserves the right to change the time or postpone the date of the sale to any other time or date by providing notification through The Bond Buyer Wire.

*Preliminary, subject to change.

NOTICE IS HEREBY FURTHER GIVEN that the Bonds will be offered for public sale subject to the terms and conditions of the Notice Inviting Proposals for Purchase of Bonds. An electronic copy of the Preliminary Official Statement relating to the Bonds will be furnished upon request to the District's Financial Advisor, Tamalpais Advisors, Inc. – Kelling, Northcross & Nobriga, A Joint Venture, Attention: Jean Buckley, telephone (415) 331-4473; fax (415) 331-4479 on or about _____, 2010.

Dated: _____, 2010

COUNTY OF LOS ANGELES

By: _____
Treasurer and Tax Collector

EXHIBIT B

FORM OF NOTICE INVITING PROPOSALS FOR PURCHASE OF BONDS

\$ _____ *

**LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS**

consisting of

\$ _____ * **GENERAL OBLIGATION BONDS, ELECTION OF 2002, SERIES __ (2010)**
\$ _____ * **GENERAL OBLIGATION BONDS, ELECTION OF 2004, SERIES __ (2010)**
\$ _____ * **GENERAL OBLIGATION BONDS, ELECTION OF 2005, SERIES __ (2010)**

NOTICE IS HEREBY GIVEN that electronic unconditional proposals will be received by the Treasurer and Tax Collector of Los Angeles County (the "Treasurer") to and including the hour of _____ a.m., Pacific Time, on _____, 2010, for the purchase of \$ _____ principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series __ (2010)" (the "Measure K Bonds"), \$ _____ principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series __ (2010)" (the "Measure R Bonds") and \$ _____ principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series __ (2010)" (the "Measure Y Bonds" and, together with the Measure K Bonds and the Measure R Bonds, the "Bonds"). Separate proposals must be submitted for each series of Bonds. Proposals may only be submitted electronically via the Parity Electronic Bid Submission System ("PARITY") in the manner described below. Within 26 hours of the deadline for the submission of bids, the Treasurer in consultation with the Chief Financial Officer (the "CFO") of the Los Angeles Unified School District (the "District"), or the designees of such officers, will consider the bids received and, if acceptable bids are received, award the sale of the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds on the basis of the lowest true interest cost, as described herein. Notice of the award will be given promptly to the successful bidder(s) for each series of the Bonds. In the event that no bid is awarded by the designated time, the County of Los Angeles (the "County") will reschedule the sale to another date or time by providing notification through The Bond Buyer Wire.

THE RECEIPT OF BIDS ON _____ DAY, _____, 2010, MAY BE POSTPONED OR CANCELLED AT OR PRIOR TO THE TIME BIDS ARE TO BE RECEIVED. NOTICE OF SUCH POSTPONEMENT OR CANCELLATION WILL BE COMMUNICATED BY THE COUNTY THROUGH THE BOND BUYER WIRE AS SOON AS PRACTICABLE FOLLOWING SUCH POSTPONEMENT OR CANCELLATION.

* Preliminary, subject to change.

If the sale is postponed, bids will be received at the hour and place set forth above on any weekday as the County may determine. Notice of the new date and time for receipt of bids shall be given through The Bond Buyer Wire as soon as practicable following a postponement. As an accommodation to bidders, telephone, electronic or fax notice of such postponement and of the new sale date and time will be given to any bidder requesting such notice from the District's Financial Advisor (the "Financial Advisor"), Tamalpais Advisors, Inc. – Kelling, Northcross & Nobriga, A Joint Venture, Attention: Jean Buckley, telephone (415) 331-4473; fax: (415) 331-4479. Failure of any bidder to receive such electronic, telephonic or fax notice shall not affect the sufficiency of any required notice or the legality of the sale

Right to Modify or Amend:

The County reserves the right to modify or amend this Notice Inviting Proposals for Purchase of Bonds (the "Notice Inviting Proposals") in any respect; provided, however, that any such modification or amendment shall be communicated to potential bidders through The Bond Buyer Wire not later than _____ p.m. Pacific Time on the day preceding the day on which bids may be submitted. Failure of any potential bidder to receive notice of any modification or amendment will not affect the sufficiency of any such notice or the legality of the sale.

Issue:

The Bonds will be dated the date of delivery (on or about _____, 2010), will be in denominations of \$_____ each, or integral multiples thereof, and will bear interest from the date of the Bonds to the maturity of each of the Bonds at the rate or rates such that the interest rate on any given maturity shall not exceed ___% per annum, with interest payable on July 1, 20__, and semiannually thereafter on January 1 and July 1 of each year during the term of each of the Bonds. The Bonds mature on January 1 in each of the years 20__ to 20__, inclusive, as follows (the "Designated Maturity Schedule"), although the estimated principal amounts set forth below are subject to adjustment following receipt of the winning bid as described in "Adjustment of Principal Amounts and Amortization Schedule of Bonds after Receipt of Bids":

DESIGNATED MATURITY SCHEDULE FOR MEASURE K BONDS

<u>Year</u>	<u>Principal Amount</u>
2010	\$
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	

DESIGNATED MATURITY SCHEDULE FOR MEASURE R BONDS

<u>Year</u>	<u>Principal Amount</u>
2010	\$
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	

DESIGNATED MATURITY SCHEDULE FOR MEASURE Y BONDS

<u>Year</u>	<u>Principal Amount</u>
2010	\$
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	

Special Bidder's Option:

The purchaser may elect to combine any number of consecutive maturities of Bonds for which an identical yield to maturity has been specified to comprise term bonds by indicating such an election on the bid form. The election to create term bonds in such manner will require the creation of a mandatory sinking fund so that the sinking fund redemption payments shall equal the principal amount of the corresponding serial bond maturities.

Optional Redemption:

The Bonds shall be subject to redemption prior to their respective stated maturity dates at the option of the District, as provided below, or on such other dates and on such terms as communicated to potential bidders through The Bond Buyer Wire in accordance with this Notice Inviting Proposals. The Bonds maturing on or before _____ 1, 20__, are not subject to

redemption prior to their fixed maturity dates. The Bonds maturing on or after _____, 20 __, are subject to redemption at the option of the District, from any source of funds, as a whole or in part, on any date on or after _____, 20 __, at the following redemption prices (expressed as a percentage of the principal amount of Bonds called for redemption), plus interest accrued thereon to the date fixed for redemption:

<u>Redemption Period (Dates Inclusive)</u>	<u>Redemption Price</u>
January 1, 20__ through December 31, 20__	____%
January 1, 20__ through December 31, 20__	____
January 1, 20__ and thereafter	____

Notice of Redemption:

Notice of redemption of any Bond will be mailed to the registered owner of each Bond to be redeemed in whole or in part, at the address shown on the registration records maintained by the Paying Agent designated for this issue of Bonds (the "Paying Agent"); such mailing to be at least 30, but not more than 60 days prior to the date set for redemption. Failure to mail notice to any owner will not affect the validity of the proceedings for the redemption of Bonds.

Registration of Bonds as to Principal and Interest and Place of Payment:

The Bonds, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. Individual purchases will be made in book-entry form only, in the denominations of \$_____ and integral multiples thereof. Purchasers will not receive physical certificates representing their interest in the Bonds purchased. Principal, premium, if any, and interest are payable in lawful money of the United States of America at the principal corporate trust office of the Paying Agent, to DTC, which in turn will remit such amounts to the beneficial owners of the Bonds through DTC's Participants, as described in the Preliminary Official Statement. The successful bidder will be required to pay any DTC fees to DTC directly.

Paying Agent:

U.S. Bank National Association has been appointed the Paying Agent for the payment of principal and interest and for the registration of the Bonds and to hold the funds and accounts established pursuant to the County Resolution.

Authority:

The Bonds will be issued pursuant to the Constitution and laws of the State of California. The issuance of the Bonds was authorized by at least 55% of the vote of the qualified electors of the District voting at elections held on November 5, 2002, March 2, 2004 and November 8, 2005, as applicable, a Resolution of the Board of Supervisors (the "Board of Supervisors" of the County,

adopted on _____, 2010 and the Resolution of the Board of Education of the District adopted on _____, 2010.

Security:

Both principal of and interest on the Bonds are payable from an unlimited *ad valorem* tax levied against all of the taxable property (except certain personal property which is taxable at limited rates) in the District.

Form of Bid:

Each bid for each series of the Bonds must be submitted electronically via PARITY pursuant to the prescribed form of bid posted thereon (the "Official Bid Form"), in each case not later than _____ a.m., Pacific Time, on the date of sale. A bidder must submit separate bids for each series being bid. A bidder may submit a bid for one, two or all three series of Bonds. For purposes of submitting all bids, the time as maintained on PARITY shall constitute the official time.

WARNINGS REGARDING ELECTRONIC BIDS: NEITHER THE DISTRICT, THE COUNTY, THE FINANCIAL ADVISOR, NOR BOND COUNSEL SHALL BE RESPONSIBLE FOR, AND THE BIDDER EXPRESSLY ASSUMES THE RISK FOR ANY INCOMPLETE, INACCURATE OR UNTIMELY BID SUBMITTED VIA PARITY BY SUCH BIDDER, INCLUDING, WITHOUT LIMITATION, BY REASON OF GARBLED TRANSMISSION, MECHANICAL FAILURE, ENGAGED TELEPHONE OR TELECOMMUNICATIONS LINES, OR ANY OTHER CAUSE ARISING FROM DELIVERY VIA PARITY.

All bids which are submitted electronically via PARITY pursuant to the procedures described below shall be deemed to constitute a "Bid for Purchase of a Series of Bonds" and shall be deemed to incorporate by reference all of the terms and conditions of this Notice Inviting Proposals. The submission of a bid electronically via PARITY shall constitute and be deemed the bidder's signature on the Official Bid Form for such series of Bonds

Procedures Regarding Electronic Bidding:

Bids may be submitted electronically via PARITY in accordance with this Notice Inviting Proposals, until _____ A.M., Pacific Time, _____, 20__, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice Inviting Proposals, the terms of this Notice Inviting Proposals shall control. For further information about PARITY, potential bidders may contact the Financial Advisor at (415) 331-4473 or PARITY at (212) 806-8304. In the event that a bid for the Bonds is submitted via PARITY, the bidder further agrees that:

- (a) If a bid submitted electronically by PARITY is accepted by the County and the District, the terms of the Bid for Purchase of a Series of Bonds and this Notice Inviting Proposals and the information that is electronically transmitted through PARITY shall form a contract and the successful bidder shall be bound by the terms of such contract.

(b) PARITY is not an agent of the County and the District, and the County and the District shall have no liability whatsoever based on any bidder's use of PARITY, including but not limited to any failure by PARITY to correctly or timely transmit information provided by the County and the District or information provided by the bidder.

(c) The County and the District may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via PARITY's internet site (www.tm3.com) no later than _____ P.M. (Pacific Time) on the last business day prior to the date of sale.

(d) Once the bids for a given series of Bonds are communicated electronically via PARITY to the County and the District as described above, each such bid will constitute a Bid for Purchase of a Series of Bonds and shall be deemed to be an irrevocable offer to purchase the series of Bonds on the terms provided in this Notice Inviting Proposals.

(e) Each bidder choosing to bid electronically shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with this Notice Inviting Proposals. Neither the County nor the District shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the County nor the District shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY. The County is using PARITY as a communication mechanism, and not as the County's agent, to conduct the electronic bidding for the Bonds. By using PARITY, each bidder agrees to hold the County and the District harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

No bid received after the deadline shall be considered. In any case, each bid must be in accordance with the terms and conditions set forth in this official Notice Inviting Proposals.

Interest Rates:

All bids for the purchase of each series of the Bonds must state the rate or rates of interest to be paid and no bid at a price less than the par value of each series of Bonds will be considered. Bidders may specify any number of different rates to be borne on each series of Bonds, provided:

(i) The maximum interest rate bid for any maturity shall not exceed _____ percent (____%) per annum;

(ii) All Bonds of the same maturity for a given series must bear the same rate of interest from its date to the stated maturity date at the interest rate specified in the Official Bid Form;

(iii) All interest rates must be in multiples of 1/8 or 1/20 of one percent; and

(iv) The rate of interest on any maturity for a given series shall not be more than four percent higher than the interest rate on any other maturity of the given series of the Bonds.

Adjustment of Principal Amounts and Amortization Schedule of Bonds after Receipt of Bids:

The principal amounts of each series of the Bonds set forth in the Designated Maturity Schedule reflect estimates of the District as to the likely interest rates of the winning bid and the original issue premium contained in the winning bid for such series. In order to achieve substantially level debt service in each Fiscal Year ending June 30, the District reserves the right subsequent to receiving bids to change the principal amounts schedule for a given series set forth above by adjusting one or more principal payments. Any such adjustment of principal amounts on the given series of Bonds shall be based on the schedule of principal amounts provided by the District to be used as the basis of bids for the given series of Bonds. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted and no successful bid may be withdrawn. The bidder awarded a series of Bonds by the District shall not be permitted to withdraw its bid, change the interest rates in its bid or the reoffering prices in its Certificate Regarding Reoffering Prices as a result of any changes made to the principal amounts of such series of the Bonds in accordance with this Notice Inviting Proposals.

Such adjustments will not change the aggregate principal amount of a series of the Bonds to be issued from the amount set forth in the Designated Maturity Schedule or change the principal amount due with respect to such series of Bonds in any year by more than ten percent. The dollar amount bid for Bonds by the winning bidder(s) will be adjusted to reflect any such adjustment in the applicable amortization schedule. Any such adjustment will change the total (but not the per bond) dollar amount of underwriter's discount and original issue premium provided in such bid. Any such adjustment shall not result in the purchase price of the such series of Bonds being less than [100.____]%. Any such adjustment will be communicated to the winning bidder within 24 hours after the opening of the bids.

[Costs to be Paid by Underwriter][TO BE INCLUDED IF PERMITTED BY BOND COUNSEL]

If the transactions contemplated by this Notice Inviting Proposals are consummated, fees and expenses incurred by the District (the "Costs") shall be paid or cause to be paid by the successful bidder. The successful bidder agrees, by submitting a bid for the Measure K Bonds, to wire \$ _____ at closing to _____, as Costs Administrator for the Bonds (the "Costs Administrator") for payment of the Costs for the Measure K Bonds. Thus, the minimum bid for the purchase of the Measure K Bonds is _____.____%. The successful bidder agrees, by submitting a bid for the Measure R Bonds, to wire \$ _____ at closing to the Costs Administrator for payment of the Costs for the Measure R Bonds. Thus, the minimum bid for the purchase of the Measure R Bonds is _____.____%. The successful bidder agrees, by submitting a bid for the Measure Y Bonds, to wire \$ _____ at closing to the Costs Administrator for payment of the Costs for the Measure Y Bonds. Thus, the minimum bid for the purchase of the Measure Y Bonds is _____.____%. This amount must be paid not later than the date of delivery of the Bonds. Payment of this amount is not optional and is in addition to any purchase premium specified and any premium designated for municipal bond insurance. The Costs Administrator will deposit such funds in a special account established on behalf of the successful bidder and apply such funds

only to pay legally authorized costs of issuance pursuant to a written order of the District accompanied by approved invoices. Costs of issuance include fees and disbursements of the financial advisor, bond counsel, disclosure counsel, the costs of preparation, printing, posting, and delivery of the Official Statement, initial rating fees, costs of publication of notices of sale, and other expenses permitted by Section 15145 of the Education Code and does not include underwriter's discount, the cost of the premium for any municipal bond insurance, CDIAC fees (described below), CUSIP fees (described below), DTC fees or other customary underwriting expenses to be paid by the successful bidder under the terms of this Notice Inviting Proposals. Any balance remaining in such account [365] days after the issuance of a series of the Bonds shall be returned to the successful bidder.]

[Qualification for Municipal Bond Insurance at Option of Bidder:

The District will submit documents to potential bond insurers to pre-qualify each series of the Bonds for a municipal bond insurance policy. If any series of the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder, any purchase of such insurance or commitment therefor shall be at the sole option and expense of the bidder and any increased costs shall be paid by such bidder. Any failure of a series of the Bonds to be so insured or of any such policy of insurance to be issued shall not in any way relieve the purchaser of his contractual obligations arising from the acceptance of his proposal to purchase such series of the Bonds.

The District will be responsible for obtaining underlying (i.e., uninsured) municipal bond ratings for each series of the Bonds from Moody's Investors Service and Standard & Poor's Ratings Group and for payment of any rating fees incurred in connection therewith, which payment shall be made in accordance with the procedure set forth in "Costs to be Paid by Underwriter" above.]

[Good Faith Deposit:

No good faith deposit is required to be submitted with bids.]

CUSIP Numbers:

CUSIP numbers will be applied for by the respective purchaser and will be printed on the applicable series of Bonds and the cost of service bureau assignment will be the purchaser's responsibility. Any delay, error or omission with respect thereto will not constitute cause for the purchaser to refuse to accept delivery of and pay for such series of Bonds.

California Debt and Investment Advisory Commission:

Each successful bidder will be required, pursuant to State law, to pay any fees to the California Debt and Investment Advisory Commission ("CDIAC"). CDIAC will separately invoice each successful bidder for such fees.

Right of Rejection:

The Treasurer in consultation with the CFO reserves the right in his discretion to reject any and all bids received and to waive any irregularity or informality in the bids, except that the time for

receiving bids shall be of the essence. [The winning bidder(s) shall have the right, at each of their option, to cancel the contract of purchase if the District shall fail to tender the Bonds for delivery within 60 days from the date of sale thereof.]

Minimum Bid

No bid will be accepted that does not offer a bid price of at least [100.____]% for a series of the Bonds (whether or not said bid price is adjusted pursuant to "Adjustment of Principal Amounts and Amortization Schedule of Bonds after Receipt of Bids"). The bid price such series of the Bonds shall not include any amounts to be used to pay the customary underwriting costs or the excluded costs set forth under "Costs to be Paid by Underwriter."

Basis of Award and Delivery:

Unless all bids are rejected, the Bonds will be awarded to the bidder whose proposal results in the lowest true interest cost ("TIC") to the District, which TIC may not exceed ____%. The TIC will be that nominal interest rate which, when compounded semiannually and applied to discount all payments of principal and interest payable on a series of the Bonds to the date of such series of the Bonds, results in an amount equal to the principal amount of such Bonds plus the amount of any premium bid. For the purpose of calculating the TIC, mandatory sinking fund payments for any Term Bonds specified by each bidder will be treated as Bonds maturing on the dates of such mandatory sinking fund payments. In the event that two or more bidders offer bids for a series of the Bonds at the same lowest TIC, the bidder who submitted the first bid (as determined by PARITY) will be awarded such series of the Bonds. Bid evaluations or rankings made by PARITY are not binding on the District.

Delivery of each series of the Bonds will be made to the purchaser through DTC upon payment in immediately available funds to the Treasurer on or about _____, 2010 (the "Closing").

Prompt Award:

The Treasurer, or the designee of such officer, will take action awarding each series of the Bonds or rejecting all bids not later than 26 hours after the expiration of the time herein prescribed for the receipt of proposals, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

Legal Opinion:

Sidley Austin LLP has been retained by the District as Bond Counsel ("Bond Counsel") and in such capacity are to render an approving opinion upon the legality of the Bonds under California law, the exclusion of interest on the Bonds from gross income for purposes of federal income taxation and on the exemption of the interest income on such Bonds from State of California income taxes. The Bonds are sold with the understanding that the respective purchaser will be furnished with an opinion of Bond Counsel entitling the purchaser to rely on the approving opinion of Sidley Austin LLP. The form of Bond Counsel's opinion is set forth in [Appendix B] of the Preliminary Official Statement and the final Official Statement.

The respective purchaser will receive a disclosure opinion from Hawkins Delafield & Wood LLP as Disclosure Counsel (“Disclosure Counsel”) regarding the Official Statement.

Tax Status:

In the opinion of Bond Counsel, under existing laws, interest on the Bonds is exempt from all present State of California personal income taxes, and assuming compliance with certain covenants made by the District, and requirements of the Internal Revenue Code of 1986, as amended, interest on the Bonds is not includable in the gross income of the owners of the Bonds for federal income tax purposes, provided that such interest may be included in the calculation of federal alternative minimum taxable income. Should changes in the law cause Bond Counsel’s opinion to change prior to delivery of the Bonds to the purchaser, the purchaser will be relieved of its responsibility to purchase the Bonds.

Certificate Regarding Reoffering Prices:

Not later than one hour after receiving the verbal award, the successful bidder for a series of Bonds must submit to the District and to Bond Counsel a certificate specifying for each maturity the reoffering price at which at least 10% of the Bonds of such maturity were first sold (or the price at which all of the Bonds awarded to the successful bidder were offered in a bona fide public offering and as of the date of award of such Bonds to the successful bidder reasonably expected to be sold) to the public. Such certificate shall be in form attached hereto as Schedule I. Any requests for changes to such certificate must be submitted to Bond Counsel by the close of business on _____.

No Litigation and Tax Certificates:

At Closing, the District will execute and deliver a certificate stating that no litigation is pending affecting the issuance and sale of the Bonds. The District will also execute and deliver the Tax Certificate covering its reasonable expectations concerning the Bonds and the use of proceeds thereof.

Continuing Disclosure Certificate:

In order to assist bidders in complying with Securities and Exchange Commission Rule 15c2-12(b)(5), the District will undertake, pursuant to a Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A form of the Continuing Disclosure Certificate is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Official Statement:

The District will make available a Preliminary Official Statement relating to the Bonds, an electronic copy of which, along with related documents, will be furnished upon request made either by mail to the Financial Advisor, Tamalpais Advisors, Inc., 3030 Bridgeway, Suite 340, Sausalito, California 94965, or telephoned to said advisor at (415) 331-4473. Such Preliminary Official Statement, together with any supplements thereto, shall be in form “deemed final” by the District for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision, amendment and

completion in a final official statement (the "Official Statement") Bidders must read the entire Preliminary Official Statement to obtain information essential to the making of an informed decision to bid. The District agrees to provide a reasonable number of copies of the Official Statement to the winning bidder(s) of each series of the Bonds at the District's expense within seven business days of the date of sale. The District shall deliver, at closing, a certificate, executed by appropriate officers of the District acting in their official capacities, to the effect that the facts contained in the Official Statement relating to the Bonds are true and correct in all material respects, and that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of circumstances under which they were made not misleading.

Dated: _____, 2010

COUNTY OF LOS ANGELES

By: _____
Treasurer and Tax Collector

SCHEDULE I
TO EXHIBIT B

§ _____*
**LOS ANGELES UNIFIED SCHOOL DISTRICT
GENERAL OBLIGATION BONDS**
consisting of

§ _____* **GENERAL OBLIGATION BONDS, ELECTION OF 20__ , SERIES __ (2010)**

FORM OF CERTIFICATE AS TO ISSUE PRICE OF PORTION OF BONDS

This Certificate is furnished by _____, as Original Purchaser (the "Original Purchaser") of § _____* aggregate principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 20__, Series __ (2010)" (the "Bonds"), to establish the initial offering price of said portion of the Bonds for purposes of determining the "issue price" of the Bonds within the meaning of Section 1273 of the Internal Revenue Code of 1986, as amended (the "Code").

THE ORIGINAL PURCHASER DOES HEREBY CERTIFY as follows:

1. The Original Purchaser reasonably expected on _____, 2010, which is the date on which the Original Purchaser agreed to purchase such Bonds (the "Sale Date"), that all of the Bonds purchased by the Original Purchaser would be sold for cash to the general public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) at the respective initial offering prices with respect to each maturity set forth in Exhibit __ hereto (each, an "Initial Public Offering Price").

2. The Original Purchaser has made a bona fide offering of the Bonds purchased by the Original Purchaser to the general public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not in excess of the respective Initial Public Offering Prices. The aggregate Initial Public Offering Price is equal to \$ _____ (representing \$ _____ aggregate principal amount of the Bonds, plus original issue premium of \$ _____).

3. The Original Purchaser first sold for cash as of the Sale Date at least ten percent of the aggregate principal amount of each maturity of the Bonds purchased by the Original Purchaser to the general public (excluding bond houses, brokers and similar persons or organizations acting in the capacity of underwriters or wholesalers) at prices not in excess of the respective Initial Public Offering Prices.

*Preliminary, subject to change.

4. The Initial Public Offering Price with respect to each maturity of the Bonds does not exceed the fair market value of such maturity of the Bonds as of the Sale Date.

Dated: _____, 2010

_____, as Original Purchaser

By: _____

Name:

Title:

EXHIBIT C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Los Angeles Unified School District (the "District") in connection with the issuance of \$ _____ aggregate principal amount of "Los Angeles Unified School District General Obligation Bonds, Election of 200_, Series __ (200_)" (the "Bonds"). The Bonds are being issued pursuant to a resolution (the "Resolution") adopted by the Board of Supervisors of the County of Los Angeles, California (the "County") on _____, 2010, at the request of the Board of Education of the District by its resolution adopted on _____, 2010. The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2 12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"CUSIP Numbers" shall mean the Committee on Uniform Security Identification Procedure's unique identification number for each public issue of a security.

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean Digital Assurance Certification, L.L.C., or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

"Holder" shall mean either the registered owners of the Bonds, or if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

"Listed Events" shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board, or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange

Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Participating Underwriters” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than 240 days after the end of the District’s fiscal year (currently ending June 30), commencing with the report for the 2008-2009 Fiscal Year (which is due not later than February 25, 2010), provide to MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than fifteen (15) days prior to said date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Dissemination Agent shall send a notice to the MSRB in substantially the form attached hereto as Exhibit __.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the District) file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate and stating the date it was provided.

Section 4. Content of Annual Reports. The District’s Annual Report shall contain or include by reference the following:

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statement of the District, the Annual Report shall also include the following:

- (i) Adopted general fund budget of the District for the current fiscal year.
- (ii) District average daily attendance.
- (iii) District outstanding debt.
- (iv) Information regarding total assessed valuation of taxable properties within the District, if and to the extent provided to the District by the County.
- (v) Information regarding total secured tax charges and delinquencies on taxable properties within the District, if and to the extent provided to the District by the County.

(c) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (i) principal and interest payment delinquencies.
- (ii) non-payment related defaults.
- (iii) modifications to rights of Holders.
- (iv) optional, contingent or unscheduled bond calls.
- (v) defeasances.
- (vi) rating changes.
- (vii) adverse tax opinions or events affecting the tax-exempt status of the Bonds.
- (viii) unscheduled draws on the debt service reserves reflecting financial difficulties.
- (ix) unscheduled draws on the credit enhancements reflecting financial difficulties.
- (x) substitution of the credit or liquidity providers or their failure to perform.
- (xi) release, substitution or sale of property securing repayment of the Bonds.

The District notes that items [(viii), (ix), (x) and (xi)] are not applicable to the Bonds.

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(c) If the District determines that knowledge of the occurrence of a Listed Event would be material under applicable federal securities laws, the District shall promptly file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

Section 6. CUSIP Numbers. Whenever providing information to the Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements and notices of Listed Events, the District shall indicate the full name of the Bonds and the 9-digit CUSIP numbers for the Bonds as to which the provided information relates.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall be Digital Assurance Certification, L.L.C. If at any time there is no designated Dissemination Agent appointed by the District, or if the Dissemination Agent so appointed is unwilling or unable to perform the duties of the Dissemination Agent hereunder, the District shall be the Dissemination Agent and undertake or assume its obligations hereunder. The Dissemination Agent (other than the District) shall not be responsible in any manner for the content of any notice or report required to be prepared by the District pursuant to this Disclosure Certificate.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; and

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule

at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) The amendment or waiver either: (i) is approved by the Holders of the Bonds in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

(d) In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, the Dissemination Agent may (and, at the request of any Participating Underwriter or the Holders or Beneficial Owners of at least 25% of aggregate principal amount of the Bonds then outstanding, shall) or any Holders or Beneficial Owners of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in the Superior Court of the State of California in and for the County of Los Angeles or in the U.S. District Court in the County of Los Angeles. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may

incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: _____, 200_

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Chief Financial Officer

DIGITAL ASSURANCE CERTIFICATION,
L.L.C, as Dissemination Agent

By: _____
Authorized Representative

EXHIBIT ____

**FORM OF NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT**

Name of District: Los Angeles Unified School District
Name of Bond Issue: Los Angeles Unified School District General Obligation Bonds,
Election of 200_, Series __ (200_)
Date of Issuance: _____, 200_

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated _____. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

LOS ANGELES UNIFIED SCHOOL DISTRICT

By: _____
Chief Financial Officer



LOS ANGELES UNIFIED SCHOOL DISTRICT

Board of Education Report

Attachment B
Resolution Authorizing Issuance of the 2010 Bonds Under the Government Code

RESOLUTION OF THE BOARD OF EDUCATION OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT AUTHORIZING THE SALE AND ISSUANCE OF ONE OR MORE SERIES OR SUBSERIES OF LOS ANGELES UNIFIED SCHOOL DISTRICT GENERAL OBLIGATION BONDS IN THE FORM OF TAX-EXEMPT BONDS OR BUILD AMERICA BONDS OR ANY COMBINATION THEREOF UNDER THE HEREIN REFERENCED MEASURE K AUTHORIZATION, MEASURE R AUTHORIZATION AND MEASURE Y AUTHORIZATION OR ANY COMBINATION THEREOF IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$150 MILLION WITH RESPECT TO BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE K AUTHORIZATION, \$870,000,000 WITH RESPECT TO BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE R AUTHORIZATION AND \$1.84 BILLION WITH RESPECT TO BONDS ISSUED UNDER AND ATTRIBUTABLE TO THE MEASURE Y AUTHORIZATION, APPROVING THE SALE OF SUCH BONDS BY COMPETITIVE SALE PURSUANT TO THE NOTICE INVITING PROPOSALS THEREFOR OR NEGOTIATED SALE PURSUANT TO THE BOND PURCHASE AGREEMENTS THEREFOR, APPROVING THE FORMS OF NOTICE OF INTENTION TO SELL, THE NOTICE INVITING PROPOSALS AND THE BOND PURCHASE AGREEMENT AND AUTHORIZING THE EXECUTION AND DELIVERY OF SAID NOTICE INVITING PROPOSALS, NOTICE OF INTENTION TO SELL BONDS, BOND PURCHASE AGREEMENT, CONTINUING DISCLOSURE CERTIFICATE, AUTHORIZING THE PREPARATION, DISTRIBUTION, EXECUTION AND DELIVERY OF A PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT FOR SAID BONDS, AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES RELATING TO SAID BONDS

WHEREAS, an election was duly called and regularly held in the Los Angeles Unified School District, County of Los Angeles, California (the "District") on November 5, 2002, pursuant to Section 1(b)(3) of Article XIII A of the State of California (the "State") Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the Education Code (the "Education Code") of the State (the "Act"), and thereafter canvassed pursuant to law ("Measure K"); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$3.35 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the "Measure K Authorization") and the District has previously issued \$3.20 billion of such general obligation bonds under the Measure K Authorization; and

WHEREAS, an election was duly called and regularly held in the District on March 2, 2004, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and the Act, and thereafter canvassed pursuant to law ("Measure R"); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election a question as to the issuance and sale of general obligation bonds of the District for

various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$3.87 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the “Measure R Authorization”) and the District has previously issued \$3.0 billion of such general obligation bonds under the Measure R Authorization; and

WHEREAS, an election was duly called and regularly held in the District on November 8, 2005, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and the Act, and thereafter canvassed pursuant to law (“Measure Y”, and together with Measure K and Measure R, the “Measures”); and

WHEREAS, at such election there was submitted to and approved by the requisite approval of at least 55% of the qualified electors of the District voting on the measure in the election a question as to the issuance and sale of general obligation bonds of the District for various purposes set forth in the ballot submitted to the voters, in the maximum amount of \$3.985 billion, payable from the levy of an *ad valorem* tax against taxable property in the District (the “Measure Y Authorization” and, together with the Measure K Authorization and the Measure R Authorization, the “Authorizations”) and the District has previously issued \$2.144 billion of such general obligation bonds under the Measure Y Authorization; and

WHEREAS, on the date hereof, the Board of Education of the District (the “Board of Education”) has adopted a resolution authorizing, and requesting the Board of Supervisors for the County of Los Angeles to authorize, the issuance and sale under the State Education Code (the “Education Code Resolution”) of (i) not to exceed \$150,000,000 aggregate principal amount of bonds under the Measure K Authorization (the “Measure K Education Code Bonds”), (ii) not to exceed \$870,000,000 aggregate principal amount of bonds under the Measure R Authorization (the “Measure R Education Code Bonds”), and (iii) not to exceed \$1.84 billion aggregate principal amount of bonds under the Measure Y Authorization (the “Measure Y Education Code Bonds”, and together with the Measure K Education Code Bonds and the Measure R Education Code Bonds, the “Education Code Bonds”); and

WHEREAS, pursuant to Article 4.5 of Chapter 3, Part 1, Division 2, Title 5 (commencing at Section 53506) of the California Government Code (the “Act”) the District is authorized to issue general obligation bonds on its own behalf; and

WHEREAS, this Board of Education of the District (the “Board of Education”) deems it necessary and desirable to authorize and consummate the sale of bonds pursuant to the Measure K Authorization and provide for the issuance of such bonds in one or more series or subseries or as a portion of one or more series of bonds in combination with bonds authorized pursuant to the Measure R Authorization and the Measure Y Authorization as provided below (as a separate series or subseries or in combination with bonds authorized under the Measure R Authorization and Measure Y Authorization) (the “Measure K Bonds”), in an aggregate principal amount attributable to the Measure K Authorization not to exceed \$150,000,000, according to the terms and in the manner hereinafter set forth, provided that the aggregate principal amount of Measure K Bonds to be issued pursuant to this Resolution, together with the aggregate principal amount of Measure K Education Bonds to be issued pursuant to the Education Code Resolution, shall not exceed \$150,000,000; and

WHEREAS, this Board of Education deems it necessary and desirable to authorize and consummate the sale of bonds pursuant to the Measure R Authorization and provide for the issuance of such bonds in one or more series or subseries or as a portion of one or more series of bonds in combination with bonds authorized pursuant to the Measure K Authorization and the Measure Y Authorization as provided below (as a separate series or subseries or in combination with bonds authorized under the Measure K Authorization and Measure Y Authorization, the “Measure R Bonds”), in an aggregate principal amount attributable to the Measure R Authorization not to exceed \$870,000,000, according to the terms and in the manner hereinafter set forth, provided that the aggregate principal amount of Measure R Bonds to be issued pursuant to this Resolution, together with the aggregate principal amount of Measure R Education Bonds to be issued pursuant to the Education Code Resolution, shall not exceed \$870,000,000; and

WHEREAS, this Board of Education deems it necessary and desirable to authorize and consummate the sale of bonds pursuant to the Measure Y Authorization and provide for the issuance of such bonds in one or more series or subseries or as a portion of one or more series of bonds in combination with bonds authorized pursuant to the Measure K Authorization and the Measure R Authorization as provided below (as a separate series or subseries or in combination with bonds authorized under the Measure K Authorization and Measure R Authorization, the “Measure Y Bonds”), in an aggregate principal amount attributable to the Measure Y Authorization not to exceed \$1.84 billion, according to the terms and in the manner hereinafter set forth, provided that the aggregate principal amount of Measure Y Bonds to be issued pursuant to this Resolution, together with the aggregate principal amount of Measure Y Education Bonds to be issued pursuant to the Education Code Resolution, shall not exceed \$1.84 billion; and

WHEREAS, this Board of Education of the District deems it necessary and desirable that the bonds issued pursuant to and attributable to the Measure K Authorization as one or more stand-alone series be designated the “Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series F (2010)”, with such other series, subseries or additional designations as may be approved in accordance with the provisions of this Resolution; and

WHEREAS, this Board of Education of the District deems it necessary and desirable that the bonds issued pursuant to and attributable to the Measure R Authorization as one or more stand-alone series be designated the “Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series L (2010)”, with such other series, subseries or additional designations as may be approved in accordance with the provisions of this Resolution; and

WHEREAS, this Board of Education of the District deems it necessary and desirable that the bonds issued pursuant to and attributable to the Measure Y Authorization as one or more stand-alone series be designated the “Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series J (2010)”, with such other series, subseries or additional designations as may be approved in accordance with the provisions of this Resolution; and

WHEREAS, this Board of Education deems it necessary and desirable that bonds issued pursuant to and attributable to the Measure K Authorization, the Measure R Authorization and the Measure Y Authorization or any combination thereof may be grouped in one or more Series to be designated the “Los Angeles Unified School District General Obligation Bonds, Series KRY, Government Code Issue (2010)” (the “Series KRY Bonds” or the “Bonds”) with such

additional designations as Tax-Exempt Bonds, Taxable Bonds and Build America Bonds, as the case may be, and such other series, subseries or additional designations as may be approved in accordance with the provisions of this Resolution in an aggregate principal amount not to exceed the combined aggregate maximum principal amount of Measure K Bonds, Measure R Bonds and Measure Y Bonds authorized herein for each Measure, according to the terms and in the manner hereinafter set forth, provided that the sum of the aggregate principal amount of Bonds to be issued under this Resolution and the aggregate principal amount of Education Bonds to be issued under the Education Resolution shall not exceed \$2,184,795,000 ; and

WHEREAS, the District deems it necessary and desirable to issue a portion of the Bonds as “Build America Bonds” in accordance with the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”) if it is so determined by an Authorized Officer to be in the best interest of the District, such determination to be evidenced by the issuance of such portion of Bonds; and

WHEREAS, the District has found and determined that it is necessary and desirable to authorize the sale of all or a portion of the Bonds by one or more negotiated sales , in the event such negotiated sales are approved by bond counsel to the District with respect to the Bonds, pursuant to one or more bond purchase agreements (each, a “Bond Purchase Agreement”) and to authorize the sale of all or a portion of the Bonds by competitive sale pursuant to one or more Notices Inviting Proposals for Purchase of Bonds (each, a “Notice Inviting Proposals”); and

WHEREAS, there has been presented to this meeting of this Board of Education a proposed form of Preliminary Official Statement relating to the Bonds (the “Preliminary Official Statement”), a Notice of Intention to Sell Bonds (the “Notice of Intention”), a Notice Inviting Proposals, a Bond Purchase Agreement, and a Continuing Disclosure Certificate of the District with respect to the Bonds (each, a “Continuing Disclosure Certificate”);

WHEREAS, all acts, conditions and things required by law to have been done or performed to date in connection with the issuance of the Bonds have been done and performed in strict conformity with the laws authorizing the issuance thereof, and the indebtedness of the District herein proposed is within all limits prescribed by law; and

NOW, THEREFORE, THE BOARD OF EDUCATION OF LOS ANGELES UNIFIED SCHOOL DISTRICT DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:

SECTION 1. Recitals. All of the above recitals are true and correct.

SECTION 2. Definitions. For the purposes of this District Resolution, unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this District Resolution, have the meanings specified herein. Unless the context otherwise indicates, words importing the singular number shall include the plural number and vice versa.

“Accreted Value” shall mean with respect to (i) any Capital Appreciation Bond, as of any date of calculation, the sum of the principal amount thereof and the interest accreted thereto as of such date of calculation, accreted and compounded from the date of initial issuance at the stated accretion rate thereof on each Interest Payment Date, or as otherwise stated in the Notice

Inviting Proposals assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months; and (ii) any Convertible Capital Appreciation Bond, as of any date of calculation prior to the Conversion Date, the sum of the Principal Amount thereof and the interest accreted thereto as of such date of calculation, accreted and compounded from the date of initial issuance at the stated accretion rate thereof on each Interest Payment Date, or as otherwise stated in the Notice Inviting Proposals assuming in any such semiannual period that such Accreted Value increases in equal daily amounts on the basis of a 360-day year of twelve 30-day months.

“Authorized Denominations” shall mean denominations of \$5,000 principal amount, Maturity Value or Conversion Value, as applicable, or any integral multiple thereof.

“Authorized Officer” shall mean any of the Chief Financial Officer, the Controller, or any other officer of the District authorized by the Chief Financial Officer or the Controller.

“Bonds” shall mean, collectively, the Series KRY Bonds, the Measure K Bonds, the Measure R Bonds, and the Measure Y Bonds.

“Book-Entry Bonds” means the Bonds of any series registered in the name of the nominee of DTC, or any successor securities depository for the Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 6(a) and Section 11 hereof.

“Build America Bonds” shall mean those Bonds designated as such pursuant to Section 7 of this Resolution in accordance with Section 54AA of the Code.

“Capital Appreciation Bonds” shall mean bonds that accrete interest on a compounded basis, payable, together with the initial principal amount thereof, solely at maturity.

“Chief Financial Officer” shall mean the Chief Financial Officer of the District.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“Controller” shall mean the Controller of the District.

“Convertible Capital Appreciation Bonds” shall mean bonds that accrete interest semiannually to the Conversion Date thereof and from and after the Conversion Date thereof bear interest payable semiannually on a current basis.

“Conversion Date” shall mean the date upon which a Convertible Capital Appreciation Bond commences bearing interest payable semiannually on a current basis, which date shall be set forth in the Notice Inviting Proposals.

“Conversion Value” shall mean, for each Convertible Capital Appreciation Bond, the accumulation of earned interest from their initial principal amount on the date of delivery thereof to the Conversion Date.

“County Treasurer” shall mean the Treasurer and Tax Collector of the County.

“Current Interest Bonds” shall mean those Bonds bearing interest payable semiannually on a current basis, as set forth in Section 7

“Defeasance Securities”, for purposes of Section 9, shall mean:

(a) Direct and general obligations of the United States of America (including state and local government series), or obligations that are unconditionally guaranteed as to principal and interest by the United States of America, including (in the case of direct and general obligations of the United States of America) evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances wherein (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian’s general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that such obligations are rated or assessed “AAA” by Standard & Poor’s or “Aaa” by Moody’s Investors Service; and

(b) Non-callable obligations of government sponsored agencies of the United States that are rated “AAA,” by Standard & Poor’s or “Aaa” by Moody’s Investors Service but are not backed by the full faith and credit of the government of the United States.

“District Resolution” shall mean this resolution of the Board of Education of the District approving the financing described herein.

“DTC” shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

“Interest Payment Date” shall mean each January 1 and July 1 of each year until the final maturity of the Bonds or such other dates as shall be set forth in the Notice Inviting Proposals.

“Interest and Sinking Fund” shall mean each fund designated as the “Los Angeles Unified School District General Obligation Bond Series F, L, J or KRY, Government Code Issue (2010) Interest and Sinking Fund”, as the case may be, with such additional designations as Tax-Exempt Bonds and Build America Bonds, as the case may be, and such other additional designations to refer to each applicable Measure for the applicable Bonds and used only for payment of principal of and interest on the Bonds of such series or subseries for such Measure.

“Investment Agreements” shall mean, collectively, investment agreements, guaranteed investment contracts, float contracts or other investment products subject to the requirements set forth in Section 15 hereof.

“Letter of Representations” shall mean the representation letter from the District to DTC dated the date of initial issuance and delivery of the Bonds or the blanket letters of representations from the District to DTC dated June 16, 1998, as such blanket letter of representations may be amended, supplemented or otherwise modified and in effect from time to time.

“Maturity Value” shall mean the Accreted Value of any Capital Appreciation Bond on its maturity date

“Owner” means with respect to any Bond, the Person in whose name such Bond is registered on the Registration Books.

“Paying Agent” shall mean the County Treasurer or any bank, trust company, national banking association or other financial institution appointed as authenticating agent, bond registrar, transfer agent and paying agent for the Bonds in the manner provided in this Resolution.

“Person” means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“Registration Books” means the records maintained by the Paying Agent for the registration of ownership and registration of transfer of the Bonds pursuant to Section 10 of this Resolution.

“Record Date” shall mean the close of business on the 15th day of the month preceding an Interest Payment Date or such other date or dates as shall be set forth in the Notice Inviting Proposals.

“Resolution” shall mean the District Resolution.

“Rule 15c2-12” shall mean Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended.

“Tax-Exempt Bonds” shall mean the series or subseries of the Measure K Bonds, the Measure R Bonds and the Measure Y Bonds or any combination thereof bearing interest that is excluded from gross income for federal income tax purposes under Section 103 of the Code.

SECTION 3. Purpose of the Bonds. The proceeds of the Bonds issued under and attributable to the Measure K Authorization, the Measure R Authorization and the Measure Y Authorization will be applied for the purposes specified in the Measure K Authorization, the Measure R Authorization and the Measure Y Authorization, as applicable, and to pay all necessary legal, financial, engineering and contingent costs in connection therewith. This Board hereby authorizes the issuance and sale of the Bonds. The Bonds shall be issued, pursuant to Title 5, Division 2, Part 1, Chapter 3, Article 4.5 (commencing at Section 53506) of the Government Code, in an aggregate amount not to exceed \$2,184,795,000, provided that the aggregate principal amount of the Bonds and the aggregate principal amount of Education Code Bonds to be issued pursuant to the Education Code Resolution shall not exceed \$2,184,795,000.

SECTION 4. Authorization and Designation of the Bonds. This Board of Education hereby authorizes the issuance and sale of (i) Bonds pursuant to the Measure K Authorization designated as “Los Angeles Unified School District General Obligation Bonds, Election of 2002, Series F (2010)” in an aggregate principal amount not to exceed \$150,000,000, provided that the sum of the aggregate principal amount of Measure K Bonds and Measure K Education Code

Bonds shall not exceed \$150,000,000 (ii) Bonds pursuant to the Measure R Authorization designated as “Los Angeles Unified School District General Obligation Bonds, Election of 2004, Series L (2010)” in an aggregate principal amount not to exceed \$870,000,000, provided that the sum aggregate principal amount of the Measure R Bonds and the Measure R Education Code Bonds shall not exceed \$870,000,000, (iii) Bonds pursuant to the Measure Y Authorization designated as “Los Angeles Unified School District General Obligation Bonds, Election of 2005, Series J (2010)” in an aggregate principal amount not to exceed \$1.84 billion, provided that the sum of the aggregate principal amount of Measure Y Bonds and the Measure Y Education Code Bonds shall not exceed \$1.84 billion and/or (iv) Bonds pursuant to the Measure K Authorization, Measure R Authorization and Measure Y Authorization or any combination thereof that may be grouped in one or more Series to be designated the “Los Angeles Unified School District General Obligation Bonds, Series KRY, Government Code Issue (2010)” with such additional designations as Tax-Exempt Bonds or Build America Bonds, as the case may be, and such other series, subseries or additional designations as may be set forth in the related Notice Inviting Proposals or Bond Purchase Agreement in a principal amount not to exceed the aggregate maximum principal amount of Measure K Bonds, Measure R Bonds and Measure Y Bonds authorized herein for each Measure, provided that the sum of the maximum principal amount of Bonds to be issued under this Resolution and the maximum principal amount of Education Bonds to be issued under the Education Resolution shall not exceed \$2,184,795,000.

SECTION 5. Form and Execution of Bonds.

(a) Book-Entry. DTC is hereby appointed depository for the Bonds. The Bonds may be issued in book-entry form or definitive form. The Book-Entry Bonds shall be initially registered in the name of “Cede & Co.,” as nominee of DTC, and registered ownership of the Book-Entry Bonds may not thereafter be transferred except as provided in Section 11 hereof.

(b) Form of Bonds. The Bonds shall be issued in fully registered form without coupons. The Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, and the related paying agent’s certificate of authentication and registration and form of assignment to appear on each of them, shall be in substantially the form attached hereto as Exhibit A, Exhibit B, and Exhibit C respectively, with necessary or appropriate variations, omissions and insertions as permitted or required by this Resolution.

(c) Execution of Bonds. The Bonds shall be signed by the President of the Board of Education and the Executive Officer of the Board of Education (or the designee of either such respective officers if the President or the Executive Officer of the Board of Education are unavailable) by their manual or facsimile signatures each in their official capacities. No Bond shall be valid or obligatory for any purpose or shall be entitled to any security or benefit under this Resolution unless and until the certificate of authentication and registration printed on the Bond is manually signed by the Paying Agent as authenticating agent. Authentication by the Paying Agent shall be conclusive evidence that the Bond so authenticated has been duly issued, signed and delivered under this Resolution and is entitled to the security and benefit of this Resolution.

The Paying Agent shall assign each Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof at its principal corporate trust office, which record shall be available to the District for inspection.

(d) Valid Authentication. Only such of the Bonds as shall bear thereon a certificate of authentication and registration as described in subsection (b), executed by the Paying Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Resolution, and such certificate of the Paying Agent shall be conclusive evidence that the Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Resolution.

(e) Identifying Number. The Paying Agent shall assign each Bond authenticated and registered by it a distinctive letter, or number, or letter and number, and shall maintain a record thereof at its principal corporate trust office, which record shall be available to the District for inspection.

(f) Bonds Mutilated, Lost, Destroyed or Stolen If any Bond shall become mutilated, the District, at the expense of the Owner of said Bond shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Paying Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Paying Agent shall be canceled by it and delivered to, or upon the order of, the District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Paying Agent and, if such evidence and indemnity satisfactory to the Paying Agent and the District shall be given, the District at the expense of the Owner, shall execute, and the Paying Agent shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond the Paying Agent may pay the same without surrender thereof). The District may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under this Section and of the expenses which may be incurred by the District and the Paying Agent. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Resolution, if applicable, with all other Bonds secured by this Resolution.

(g) Temporary Bonds. The Bonds may be issued in temporary form exchangeable for definitive Bonds when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be in authorized denominations, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Resolution as may be appropriate. Every temporary Bond shall be executed by the District and authenticated by the Paying Agent upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds, it shall execute and deliver definitive Bonds as promptly thereafter as practicable, and thereupon each temporary Bond may be surrendered, for cancellation, at the Office of the Paying Agent and the Paying Agent shall authenticate and deliver in exchange for such temporary Bond a definitive Bond of the same tenor. Until so

exchanged, the temporary Bonds shall be entitled to the same benefits under this Resolution as definitive Bonds authenticated and delivered hereunder.

SECTION 6. Terms of Bonds.

(a) Terms of Bonds; Date of Bonds. The Bonds shall be issued as Current Interest Bonds, Capital Appreciation Bonds or Convertible Capital Appreciation Bonds or any combination thereof as set forth in the Notice Inviting Proposals or Bond Purchase Agreement therefor. Each Bond shall be dated its date of delivery, or such other date and shall have such other terms and provisions as shall be set forth in the Notice Inviting Proposals or Bond Purchase Agreement relating to such series or subseries of Bonds.

(b) Denominations. The Bonds shall be issued in Authorized Denominations. Each series or subseries of Bonds shall mature on the dates and have Conversion Dates, if any, in each of the years, in the principal amounts, Conversion Values and Maturity Values, as applicable, as shall be set forth in the Notice Inviting Proposals or Bond Purchase Agreement relating to such Bonds. No Bond shall mature later than such date as authorized by law.

(c) Interest. The Bonds shall bear or accrete interest computed on the basis of a 360 day year of twelve (12) 30-day months (or computed on such other basis as shall be set forth in the Notice Inviting Proposals or Bond Purchase Agreement relating to such Bonds), payable or compounded, as applicable, on each Interest Payment Date in each year or on such other dates and commencing on such dates, all as shall be set forth in the Notice Inviting Proposals or Bond Purchase Agreement relating to such Bonds.

The Current Interest Bonds shall bear interest payable on each Interest Payment Date at the rates set forth in the Notice Inviting Proposals or Bond Purchase Agreement relating to such Bonds. The Capital Appreciation Bonds are payable only at maturity or the prior redemption thereof, and shall not bear interest on a current basis. Each Capital Appreciation Bond shall increase in value by the accumulation of earned interest from its initial principal (denominational) amount on the date of issuance thereof to its Maturity Value at a compounded interest rate on each Interest Payment Date as set forth in the Notice Inviting Proposals or Bond Purchase Agreement relating to such Bonds. The Convertible Capital Appreciation Bonds prior to their respective Conversion Dates shall not bear current interest but shall instead increase in value in the manner of a Capital Appreciation Bond as set forth in this subsection (c). From and after the respective Conversion Date of a Convertible Capital Appreciation Bond, such Convertible Capital Appreciation Bonds shall bear interest on its Conversion Value as of the Conversion Date, payable commencing on the Interest Payment Date following its Conversion Date, and thereafter on each Interest Payment Date in each year.

Each Current Interest Bond and Convertible Capital Appreciation Bond following its Conversion Date shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated as of a day during the period after the Record Date immediately preceding any Interest Payment Date to and including such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date, with respect to Current Interest Bonds or the first Interest Payment Date following the applicable

Conversion Date, with respect to Convertible Capital Appreciation Bonds, in which event it shall bear interest from its Conversion Date, provided, that if, at the time of authentication of any Bond, interest is in default on any outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds, payable on each Interest Payment Date.

(d) Designation of Build America Bonds; Determination in Connection with Federally Taxable Bonds. A portion of the Bonds may be designated as Build America Bonds. In accordance with Section 5903 of the Government Code, this Board of Education hereby determines that the interest payable on the portion of Bonds to be issued as Build America Bonds will be subject to federal income taxation, as set forth in the Notice Inviting Proposals or Bond Purchase Agreement relating to such Bonds. An Authorized Officer may elect pursuant to Section 54AA of the Code that with respect to the Bonds to be designated as Build America Bonds, in lieu of any tax credit allowed under Section 54AA of the Code, the District shall be allowed a tax credit as provided in Section 6431 of the Code.

SECTION 7. Payment.

(a) Principal; Accreted Value. The principal of the Current Interest Bonds, if any, and the Accreted Value of the Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, if any, shall be payable, when due or upon redemption prior thereto, in lawful money of the United States of America to the person whose name appears on the Registration Books of the Paying Agent (as described in Section 10(c) hereof) as the Owner, upon the surrender thereof at the principal corporate trust office of the Paying Agent.

(b) Interest; Record Date. The interest on the Current Interest Bonds, Convertible Capital Appreciation Bonds after the Conversion Date, if any, as applicable, shall be payable when due in lawful money of the United States of America to the Owner thereof or, if applicable, to the Owner of the related Bonds, as of the Record Date, whether or not such day is a business day, such interest to be paid by check mailed on such Interest Payment Date (if a business day, or on the next business day if the Interest Payment Date does not fall on a business day) to such Owner at such Owner's address as it appears on the Registration Books described in Section 10(c) or at such address as the Owner may have filed with the Paying Agent for that purpose except that the payment shall be made in immediately available funds (e.g., by wire transfer) to any Owner of at least one million dollars (\$1,000,000) of outstanding principal amount or Accreted Value of Bonds, or any combination thereof, who shall have requested in writing such method of payment of interest prior to the close of business on the Record Date immediately preceding any Interest Payment Date or as provided by the Notice Inviting Proposals. So long as Cede & Co. or its registered assigns shall be the Owner of the Bonds, payment shall be made in immediately available funds as provided in Section 11(d) hereof.

(c) Interest and Sinking Fund. Principal and interest, if any, due on the Bonds shall be paid from the respective Interest and Sinking Fund of the District for the related series or subseries of Bonds as provided in Section 15146 of the Education Code. To the extent any portion of the Bonds are designated as Build America Bonds, any direct subsidy of interest paid to or on behalf of the District by the federal government under the provisions of the Recovery Act in connection with such Build America Bonds shall, promptly upon receipt by the District,

be deposited into the Interest and Sinking Fund of the District established for payment of such Build America Bonds. No part of any fund of the District is pledged or obligated to the payment of the Bonds.

(d) Sinking Fund Accounts. The Paying Agent is hereby authorized to create such sinking funds or accounts for the Bonds as may be necessary or desirable, as an Authorized Officer may from time to time direct.

SECTION 8. Redemption Provisions.

(a) Redemption. The Bonds of each series or subseries shall be subject to redemption on the dates and terms as shall be designated in the Notice Inviting Proposals or Bond Purchase Agreement relating to such Bonds. With respect to Bonds, if any, designated as "Term Bonds" in the related Notice Inviting Proposals or Bond Purchase Agreement, the principal amount or Accreted Value of each mandatory sinking fund payment of any maturity shall be reduced proportionately by the amount of any Bonds of that maturity optionally redeemed prior to the mandatory sinking fund payment date and allocated by the District to such sinking fund payment or as otherwise provided for in the related Notice Inviting Proposals or Bond Purchase Agreement or as directed by the District.

(b) Notice of Redemption. Notice of redemption of any Bonds shall be given by the Paying Agent upon the written request of the District given at least 60 days prior to the date designated for such redemption. Notice of any redemption of Bonds shall be mailed postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date (i) by first class mail to the respective Owners thereof at the addresses appearing on the Registration Books described in Section 10(c) and (ii) as may be further required in accordance with the Continuing Disclosure Certificate of the District described in Section 17.

Each notice of redemption shall contain all of the following information:

- (i) the date of such notice;
- (ii) the name of the Bonds and the date of issue of the Bonds;
- (iii) the redemption date;
- (iv) the redemption price;
- (v) the maturity dates of the Bonds to be redeemed,
- (vi) (if less than all of the Bonds of any maturity of a series are to be redeemed) the distinctive numbers of the Bonds of each maturity of such series to be redeemed;
- (vii) (in the case of Bonds redeemed in part only) the respective maturities or portions of the principal amount of the Bonds of each maturity to be redeemed;
- (viii) the CUSIP number, if any, of each maturity of Bonds to be redeemed;

(ix) a statement that such Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent;

(x) notice that further interest on such Bonds will not accrue after the designated redemption date; and

(xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice.

(c) Effect of Notice A certificate of the Paying Agent or the District that notice of call and redemption has been given to Owners as herein provided shall be conclusive as against all parties. The actual receipt by the Owner of any Bond of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Bonds called for redemption is set aside for the purpose as described in subsection (d) of this Section, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon or the value thereof accrete as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the redemption premium thereon, if any, only to the Interest and Sinking Fund or the escrow fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent and shall not be reissued.

Any notice of optional redemption of the Bonds delivered in accordance with this Section 9 may be conditional and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, said notice (i) shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds; (iii) the redemption shall not be made and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons and in the manner in which the conditional notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled.

The District may rescind any optional redemption and notice thereof for any reason on any date prior to or on the date fixed for redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

(d) Redemption Fund. Prior to or on the redemption date of any Bonds there shall be available in the applicable Interest and Sinking Fund, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the premiums payable as set

forth in the related Notice Inviting Proposals or Bond Purchase Agreement, the Bonds designated in any notice of redemption. Such monies so set aside in any such escrow fund shall be applied on or after the redemption date solely for payment of principal of and premium, if any, on the Bonds to be redeemed upon presentation and surrender of such Bonds, provided that all monies in the applicable Interest and Sinking Fund shall be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date shall be paid from the applicable Interest and Sinking Fund, unless otherwise provided for to be paid from such escrow. If, after all of the Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the applicable Interest and Sinking Fund or otherwise held in trust for the payment of the redemption price of the Bonds, those monies shall be held in or returned or transferred to the applicable Interest and Sinking Fund for payment of any outstanding bonds of the District payable from that fund; provided, however, that if those monies are part of the proceeds of bonds of the District, the monies shall be transferred to the applicable Interest and Sinking Fund. If no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

(e) Defeasance of Bonds. If at any time the District shall pay or cause to be paid or there shall otherwise be paid to the Owners of any or all outstanding Bonds all of the principal or Accreted Value of, premium, if any, and interest on such Bonds at the times and in the manner provided herein and in the Bonds, or as provided in the following paragraph, or as otherwise provided by law consistent herewith, then such Owners shall cease to be entitled to the obligation of the District as provided in Section 12 hereof, and such obligation and all agreements and covenants of the District to such Owners hereunder and under the Bonds shall thereupon be satisfied and discharged and shall terminate, except only that the District shall remain liable for payment of all principal or Accreted Value of, premium, if any, and interest on such Bonds, but only out of monies on deposit in the Interest and Sinking Fund or otherwise held in trust for such payment; and provided further, however, that the provisions of subsection (f) hereof shall apply in all events.

All or any portion of the outstanding maturities of the Bonds may be defeased prior to maturity in the following ways:

(i) by irrevocably depositing with the Paying Agent an amount of cash that, together with amounts then on deposit in the Interest and Sinking Fund, is sufficient to pay all Bonds outstanding and designated for defeasance, including all principal or Accreted Value of, premium, if any, and interest; or

(ii) by irrevocably depositing with the Paying Agent, Defeasance Securities, together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and monies then on deposit in the Interest and Sinking Fund together with the interest to accrue thereon, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal or Accreted Value thereof, premium, if any, and interest thereon) at or before their maturity date.

In the event that Bonds are being defeased pursuant to paragraph (ii) of subsection (e) of this Section, the appointment of the independent certified public accountant referred to therein and

any escrow agent selected in connection with said defeasance shall both be subject to District approval.

(f) Unclaimed Monies. Any money held in any fund created pursuant to this Resolution, or by the Paying Agent in trust, for the payment of the principal or Accreted Value of, premium, if any, or interest on the Bonds and remaining unclaimed for one year after the principal of all of the Bonds has become due and payable (whether by maturity or upon prior redemption) shall be transferred to the Interest and Sinking Fund for payment of any outstanding bonds of the District payable from that fund; or, if no such bonds of the District are at such time outstanding, the monies shall be transferred to the general fund of the District as provided and permitted by law.

SECTION 9. Paying Agent and Disbursement Agent.

(a) Appointment; Payment of Fees and Expenses. This Board of Education does hereby appoint the County Treasurer to act as the initial Paying Agent, and does confirm said appointment for purposes of this District Resolution. All fees and expenses of the Paying Agent shall be the sole responsibility of the District, and to the extent not paid from the proceeds of sale of the Bonds, or from the Interest and Sinking Fund, insofar as permitted by law, including specifically by Section 15232 of the Education Code and insofar as money in the Interest and Sinking Fund is insufficient therefor, such fees and expenses shall be paid by the District.

(b) Resignation, Removal and Replacement of Paying Agent. The Paying Agent initially appointed or any successor Paying Agent may resign from service as Paying Agent and may be removed by the District. The County Treasurer is authorized to enter into a contract with a bank or trust company doing business in and having a corporate trust office in Los Angeles, California, with at least \$100,000,000 in net assets, to perform the services of the Paying Agent. If at any time the County Treasurer shall resign or be removed as the Paying Agent, the Authorized Officers are authorized with the prior consent of the County Treasurer to appoint any successor Paying Agent. If no successor Paying Agent is appointed by an Authorized Officer in a timely manner, the County Treasurer shall appoint a successor Paying Agent without further action by any Authorized Officer. The successor Paying Agent shall be a bank or trust company doing business in and having a corporate trust office in the County, with at least \$100,000,000 in net assets.

(c) Registration Books. The Paying Agent will keep or cause to be kept at its principal corporate trust office sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred on the books, Bonds as provided in Sections 10 and 11 hereof. The Paying Agent shall keep accurate records of all funds administered by it and of all Bonds paid and discharged by it. Such records shall be provided, upon reasonable request, to the District in a format mutually agreeable to the Paying Agent and the District.

(d) Disbursement Agent. For any period of time in which the County Treasurer is not acting in the capacity of Paying Agent, the County Treasurer shall serve as disbursement agent hereunder and shall transfer monies from the Interest and Sinking Fund to the Paying Agent in order to make payments of principal and interest on the Bonds.

SECTION 10. Transfer Under Book-Entry System; Discontinuation of Book-Entry System.

(a) Notwithstanding anything to the contrary contained in this District Resolution, all payments with respect to the principal or Accreted Value of, premium, if any, and interest on any Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of same-day funds to the account of Cede & Co. on the payment date for the Bonds at the address indicated on the Record Date for Cede & Co. in the Registration Books or as otherwise provided in the Letter of Representations.

In connection with any notice or other communication to be provided to Owners of Book-Entry Bonds pursuant to this District Resolution by the District or the Paying Agent with respect to any consent or other action to be taken by Owners, the District or the Paying Agent, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

Except as may be otherwise provided by the related Notice Inviting Proposals or Bond Purchase Agreement, the Bonds shall be initially issued in the form of separate single fully registered Bonds in the amount of each separate stated maturity of each series and subseries of Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, if any; provided, however, that if different CUSIP numbers are assigned to a Bond of a subseries or type of Bond within a subseries maturing in a single year or, if Bonds of a subseries or type of Bond maturing in a single year are issued with different interest rates, additional Bond certificates shall be prepared for each maturity. Unless otherwise provided in the related Notice Inviting Proposals or Bond Purchase Agreement, upon initial issuance, the ownership of such Bonds shall be registered in the Registration Books in the name of Cede & Co., as nominee of DTC. The Paying Agent and the District may treat DTC (or its nominee) as the sole and exclusive Owner of the Bonds registered in its name for the purposes of payment of the principal or Accreted Value of, premium, if any, and interest, if any, on the Bonds, selecting the Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners of Bonds under this District Resolution, registering the transfer of Bonds, obtaining any consent or other action to be taken by Owners of Bonds if any, and for all other purposes whatsoever, and the Paying Agent and the District shall not be affected by any notice to the contrary. The Paying Agent and the District shall not have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the Registration Books as being an Owner, with respect to the accuracy of any records maintained by DTC or any Participant: the payment by DTC or any Participant of any amount in respect of the principal or Accreted Value of, premium, if any, and interest on the Bonds; any notice which is permitted or required to be given to Owners of Bonds under this District Resolution; the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds; or any consent given or other action taken by DTC as Owner of Bonds. The Paying Agent shall pay all principal or Accreted Value of, premium, if any, and interest on the Bonds only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to the principal or Accreted Value of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Except under the conditions set forth under Section 11

hereof no person other than DTC shall receive an executed Bond for each separate stated maturity of each series and subseries of Current Interest Bonds, Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, if any, or, as provided herein, portion thereof. Upon delivery by DTC to the Paying Agent of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the term "Cede & Co." in this District Resolution shall refer to such new nominee of DTC.

(b) The Bonds shall be initially issued and registered as provided in Section 5 and subsection (a) of this Section 10 or as otherwise provided in the related Notice Inviting Proposals or Bond Purchase Agreement. Registered ownership of such Bonds or any portion thereof may not thereafter be transferred except:

(i) To any successor of Cede & Co., as nominee of DTC, or its nominee, or to any substitute depository designated pursuant to clause (ii) of this Section (a "substitute depository"); provided, that any successor of Cede & Co., as nominee of DTC or substitute depository, shall be qualified under any applicable laws to provide the services proposed to be provided by it;

(ii) To any substitute depository not objected to by the District upon (1) the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository, or (2) a determination by the District to substitute another depository for DTC (or its successor) because DTC or its successor (or any substitute depository or its successor) is no longer able to carry out its functions as depository; provided, that any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(iii) To any person as provided below, upon (1) the resignation of DTC or its successor (or substitute depository or its successor) from its functions as depository, or (2) a determination by the District to remove DTC or its successor (or any substitute depository or its successor) from its functions as depository.

(c) In the case of any transfer pursuant to clause (i) or clause (ii) of subsection (b) of this Section, upon receipt of the outstanding Bonds by the Paying Agent, together with a written request of the District to such Paying Agent, a new Bond for each Bond so delivered shall be executed and delivered in the aggregate principal amount, Maturity Value or Conversion Value, as applicable, of such Bond, registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the District. In the case of any transfer pursuant to clause (iii) of subsection (b) of this Section, upon receipt of the outstanding Bonds by the Paying Agent together with a written request of the District to such Paying Agent, new Bonds shall be executed and delivered in such denominations, numbered in the manner determined by the Paying Agent, and registered in the names of such persons, as are requested in such written request of the District, subject to the limitations of Sections 5 and 6, and the receipt of such a written request of the District, and thereafter, the Bonds shall be transferred pursuant to the provisions set forth in Section 11 of this District Resolution; provided, that the Paying Agent shall not be required to deliver such new

Bonds within a period of less than sixty (60) days after the receipt of any such written request of the District.

(d) So long as the outstanding Bonds are registered in the name of Cede & Co. or its registered assigns, the District and the Paying Agent shall cooperate with Cede & Co., as sole Owner, or its registered assigns in effecting payment of the principal of and interest on the Bonds by arranging for payment in such manner that funds for such payments are properly identified and are made immediately available (*e.g.*, by wire transfer) on the date they are due.

SECTION 11. Transfer and Exchange.

(a) Transfer. Following the termination or removal of the depository pursuant to Section 10 hereof, any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 10(c) hereof, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Paying Agent.

Whenever any Bond or Bonds shall be surrendered for transfer, the designated District officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 6, a new Bond or Bonds of the same series, subseries, term, maturity, interest rate and interest payment mode, if any, and, in the case of Current Interest Bonds, if any, for a like aggregate principal amount, and in the case of Capital Appreciation Bonds or Convertible Capital Appreciation Bonds, for a like aggregate Maturity Value or Conversion Value, as applicable. The Paying Agent may require the payment by any Owner of Bonds requesting any such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

The Paying Agent shall not be obligated to make any transfer or exchange of any Bond pursuant to this Section during the period from (1) the close of business on the applicable Record Date to and including the succeeding Interest Payment Date, or (2) the period established by the Paying Agent for the selection of Bonds for redemption, in whole or in part, to and including the designated redemption date or with respect to any Bonds selected for redemption as set forth in the related Notice Inviting Proposals or Bond Purchase Agreement.

(b) Exchange. The Bonds may be exchanged for Bonds of other authorized denominations of the same series, subseries, term, maturity, interest rate and interest payment mode, if any, by the Owner thereof, in person or by the duly authorized attorney of such Owner, upon surrender of such Bond to the Paying Agent for cancellation, accompanied by delivery of a duly executed request for exchange in a form approved by the Paying Agent.

Whenever any Bond or Bonds shall be surrendered for exchange, the designated District officials shall execute and the Paying Agent shall authenticate and deliver, as provided in Section 6, a new Bond or Bonds of the same series, subseries, term, maturity, interest rate and interest payment mode, if any, and in the case of Current Interest Bonds, if any, for a like aggregate principal amount, and in the case of Capital Appreciation Bonds and Convertible Capital Appreciation Bonds, for a like aggregate Maturity Value or Conversion Value, as

applicable. The Paying Agent may require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Paying Agent shall not be obligated to make any transfer or exchange of any Bond pursuant to this Section during the period from (1) the close of business on the applicable Record Date to and including the succeeding Interest Payment Date, or (2) the period established by the Paying Agent for the selection of Bonds for redemption, in whole or in part, to and including the designated redemption date or with respect to any Bonds selected for redemption as set forth in the related Notice Inviting Proposals or Bond Purchase Agreement.

SECTION 12. Security for the Bonds. The obligation to pay principal or Accreted Value of, premium, if any, and interest on the Bonds is a statutory obligation of the District, payable as described in the Notice Inviting Proposals or Bond Purchase Agreement relating to such Bonds and shall be raised by taxation upon all taxable property in the District and provision shall be made for the levy and collection of such taxes in the manner provided by law and for such payment out of the Interest and Sinking Fund. To the extent any portion of the Bonds are designated as Build America Bonds, any direct subsidy of interest paid to or on behalf of the District by the federal government under the provisions of the Recovery Act in connection with such Build America Bonds shall, promptly upon receipt by the District, be deposited into the Interest and Sinking Fund of the District established for payment of such Build America Bonds. The Board of Supervisors of the County has covenanted to levy *ad valorem* taxes for the payment of the Bonds on all property in the District subject to taxation by the County without limitation as to rate or amount (except certain personal property which is taxable at limited rates).

SECTION 13. Sale of the Bonds. Upon direction of an Authorized Officer, Bonds shall be sold at a competitive sale and under conditions set forth in the Notice Inviting Proposals, or, with the approval bond counsel to the District with respect to the Bonds, by a negotiable sale to one or more negotiated sales to Citigroup Global Markets Inc., Goldman, Sachs & Co., Morgan Stanley & Co., Incorporated and Barclays Capital, as senior and co-senior managers, as shall be set forth in each Bond Purchase Agreement, each of whom is a member of the District's underwriting bench as of the date hereof (together with the co-managers to be named in the related Bond Purchase Agreement, the "Underwriters"), pursuant to such Bond Purchase Agreement. The form of the Notice Inviting Proposals substantially in the form on file with the Board of Education, the form of the Bond Purchase Agreement on file with the Board of Education and the distribution of such Notice Inviting Proposals are hereby approved in connection with the offering and sale of the Bonds. The form of Notice of Intention substantially in the form on file with the Board of Education is hereby approved and authorized to be published. The actions of the financial advisor, on behalf of the District, in distributing the Notice Inviting Proposals, to such municipal bond broker-dealers, to such banking institutions and to such other persons as may be interested in purchasing the Bonds therein offered for sale, are hereby approved. The Authorized Officers are hereby authorized and directed on behalf of the District to cause the sale of the Bonds pursuant to the Notice Inviting Proposals or Bond Purchase Agreement, with such changes as such Authorized Officer shall deem necessary or desirable to implement the sale of the Bonds consistent with the terms of this resolution.

(a) Purchase Price. The purchase price for a Series of Bonds shall be as set forth in the Notice Inviting Proposals or Bond Purchase Agreement, as the case may be, provided that (i) the true interest cost for the Tax-Exempt Bonds shall not be in excess of 7% per annum, and the true interest cost for the Build America Bonds, taking into account the credit allowed under Section 6431 of the Code shall not be in excess of 7% per annum; (ii) the underwriters' compensation for any Series of Bonds shall not exceed 1% of the aggregate principal amount of a series Bonds sold under a Notice Inviting Proposals or a Bond Purchase Agreement; and (iii) the Bonds shall otherwise conform to the limitations specified herein.

SECTION 14. Authorization of Preliminary Official Statements and Official Statements.

(a) Preliminary Official Statements. The form of the Preliminary Official Statement relating to the Tax-Exempt Bonds and the Build America Bonds presented to this Board of Education, with such changes as any Authorized Officer acting singly may approve, are hereby approved. The Financial Advisor (defined below), or the Underwriters, as the case may be, are hereby authorized and directed to deliver copies of such Preliminary Official Statement in final form to persons who may be interested in purchasing the Bonds. Each Authorized Officer, acting singly, is hereby authorized to certify on behalf of the District, that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

(b) Official Statement. An Official Statement in substantially the form of the Preliminary Official Statements (each an "Official Statement"), with such changes as each Authorized Officer, acting singly, may approve (including all information previously permitted to have been omitted by Rule 15c2-12), which approval shall be conclusively evidenced by execution by such Authorized Officer of the Official Statements and delivery thereof to the original purchasers of the Bonds within 7 business days of the sale of the Bonds, is hereby approved. Any Authorized Officer is hereby authorized and directed to execute such Official Statements with such changes therein, deletions therefrom and modifications thereto as such Authorized Officer may approve, such approval to be conclusively evidenced by the execution and delivery thereof.

SECTION 15. Deposit and Investment of Proceeds.

(a) The proceeds of sale of the Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County treasury and credited to the building fund of the District (the "Building Fund"). The District shall have sole responsibility that such proceeds be used for the purpose for which the Bonds are being issued. Any premium and accrued interest received shall be deposited in the Interest and Sinking Fund within the County treasury.

(b) All funds held by the County Treasurer hereunder on behalf of the District shall be invested by the County Treasurer or its agent in the County Investment Pool, the Local Agency Investment Fund, any investment authorized pursuant to Sections 53601 and 53635 of the State Government Code, or in any Investment Agreement; provided that such agreements comply with the requirements of Section 148 of the Code, to the extent applicable to the related

series or subseries of Bonds, and with the requirements of each rating agency then rating the Bonds necessary in order to maintain the then-current rating on the Bonds.

Subject to a determination by the Chief Financial Officer, any Authorized Officer may request the County Treasurer to invest funds held in the Interest and Sinking Fund of the District and in the Building Fund of the District in specific Investment Agreements. Pursuant to Section 5922 of the Government Code, this Board of Education hereby finds and determines that the Investment Agreements will reduce the amount and duration of interest rate risk with respect to amounts invested pursuant to the Investment Agreements and are designed to reduce the amount or duration of payment, rate, spread or similar risk or result in a lower cost of borrowing when used in combination with the Bonds or enhance the relationship between risk and return with respect to investments of proceeds of the Bonds and funds held to pay the Bonds. Subject to a determination by the Chief Financial Officer, any Authorized Officer may request the County Treasurer to deposit any investment of all or any portion of the building fund or the Interest and Sinking Fund of the District pursuant to California Education Code Section 41015 in accordance with the instructions of the Authorized Officer and California Education Code Section 41016.

(c) Any excess proceeds of the Bonds on deposit in the Building Fund not needed for the authorized purposes set forth herein for which the Bonds are being issued shall be transferred to the Interest and Sinking Fund and applied to the payment of principal of, premium, if any, and interest on the Bonds; provided, however, that when all of the principal of and interest on all of the Bonds have been paid, any balance then remaining in said fund shall be transferred to the general fund of the District as permitted and provided for in Section 15234 of the Education Code.

SECTION 16. Tax Covenants.

(a) General. The District shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or inaction would adversely affect the exclusion from gross income of the interest payable on the Tax-Exempt Bonds under Section 103 of the Code. The District shall not take any action, or fail to take any action, or permit such action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or failure to take such action would adversely affect either the status of the Build America Bonds under Section 54AA of the Code or the credit allowed to the District under Section 6431 of the Code. In furtherance of the foregoing, the District shall comply with the provisions of the respective tax certificates to be executed and delivered by the District in connection with the issuance of the Tax Exempt Bonds and the Build America Bonds (each, a "Tax Certificate").

(b) Yield Restriction. In the event that at any time the District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any monies held by the County Treasurer or any other party on behalf of the District, in accordance with this Resolution or pursuant to law, the District shall so request of the County Treasurer or such other party in writing, and the District shall make its best efforts to ensure that the County Treasurer or such other party shall take such action as may be necessary in accordance with such instructions.

(c) Reliance on Opinion of Special Tax Counsel. Notwithstanding any provision of this Section, if the District shall provide to the County Treasurer an Opinion of Special Tax Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Tax-Exempt Bonds or for the Build America Bonds to be designated as such under Section 54AA of the Code and for a credit to continue to be allowed to the District under Section 6431 of the Code, the County Treasurer may conclusively rely on such opinion in complying with the requirements of this Section and of the applicable Tax Certificate and the covenants hereunder shall be deemed to be modified to that extent.

SECTION 17. Continuing Disclosure Certificate. The form of Continuing Disclosure Certificate on file with the Board of Education is hereby approved. Any Authorized Officer is hereby authorized on behalf of the District to execute one or more Continuing Disclosure Certificates with respect to the Bonds in substantially the form on file with the Board of Education, with such changes thereto as deemed necessary in order to permit the original purchasers of the Bonds to comply with the requirements of Rule 15c2-12. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of each Continuing Disclosure Certificate.

SECTION 18. Approval of Actions; Further Actions. The President of this Board of Education, the Executive Officer of this Board of Education and any Authorized Officer are hereby authorized and directed to execute and deliver any and all agreements, certificates and representations, including but not limited to (i) signature certificates, no litigation certificates, and certificates concerning the contents of the Official Statement, (ii) representation letters to The Depository Trust Company, (iii) each Tax Certificate, (iv) any other certificates proposed to be delivered in connection with the sale or issuance of the Bonds, including in connection with any policy of municipal bond insurance or other credit enhancement, (v) any investment agreements entered into pursuant to the authority granted hereunder, and (vi) and any other agreements, letters, certificates or representations, which any of them deem necessary and desirable to accomplish the transactions authorized herein. All actions heretofore taken by the officers and agents of the Board with respect to the Bonds are hereby approved, confirmed and ratified. The Authorized Officers shall be and each of them is hereby authorized, empowered and directed to execute and deliver such other documents and take such other actions as they deem necessary or advisable to carry out and perform the purposes of this Resolution, the Notice of Intention, the Notice Inviting Proposals, the Bond Purchase Agreement and the Continuing Disclosure Certificate.

SECTION 19. Notice to California Debt and Investment Advisory Commission. This Board of Education hereby authorizes and directs the Authorized Officers to cause notices of the proposed sale and final sale and itemized costs of issuance of the Bonds to be filed in a timely manner with the California Debt and Investment Advisory Commission pursuant to California Government Code Section 8855.

SECTION 20. Citizen's Oversight Committee. This Board of Education certifies that it has established and appointed and shall maintain an independent citizens' oversight committee pursuant to Section 15278 of the Education Code, to inform the public concerning the expenditure of proceeds of the Bonds by the date specified in such Section 15278.

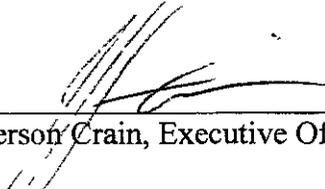
SECTION 21. Bond Accountability Measures. This Board of Education certifies that it will conduct an annual, independent performance and financial audit to ensure that the funds approved by the voters have been expended only for the purposes authorized by Measure K or Measure R or Measure Y, as applicable, in accordance with Section 1(b) of Article XIII A of the California Constitution and Section 15264 et seq. of the Education Code. This Board of Education further certifies it will direct the Chief Financial Officer to cause to be filed with the Board no later than January 1, 2010, and at least once a year thereafter, the annual report required pursuant to Measure K or Measure R or Measure Y, as applicable, and Section 53410 et seq. of the State Government Code.

SECTION 22. Filing with the County. Pursuant to Section 15140(c) of the Education Code of the State, the Executive Officer of this Board of Education is hereby authorized and directed to file a certified copy of this Resolution with the Executive Officer-Clerk of the Board of Supervisors of the County and with the Auditor-Controller of the County. This Board of Education hereby directs the Superintendent of the District to request the Board of Supervisors of the County to levy annually *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of and interest on the Bonds as and when the same become due.

SECTION 23. Appointment of Financial Advisor, Bond Counsel, Special Tax Counsel, Disclosure Counsel and Underwriters. In connection with the District's issuance and sale of the Bonds, the Chief Financial Officer or her designee is hereby authorized to enter into agreements for Financial Advisor, Bond Counsel, Special Tax Counsel, Disclosure Counsel, Underwriters (in the event a negotiated sale is permitted) and other professional services on behalf of the District as may be necessary or appropriate. Bond Counsel and Special Tax Counsel to the District in connection with the issuance of the Bonds shall be Sidley Austin LLP. Disclosure Counsel to the District in connection with the issuance of the Bonds shall be Hawkins Delafield & Wood LLP. Tamalpais Advisors, Inc. – Kelling, Northcross & Nobriga, A Joint Venture, shall be the Financial Advisor to the District in connection with the issuance of the Bonds. In the event the Bonds are sold at negotiated sale, the senior managers shall be Citigroup Global Markets Inc., Goldman, Sachs & Co., Morgan Stanley & Co., Incorporated and Barclays Capital, and the co-senior and co-managers shall be as set forth in the Bond Purchase Agreement.

SECTION 24. Effective Date. This Resolution shall take effect from and after its adoption.

Adopted and signed this 12th day of January, 2010, by the Board of Education of the Los Angeles Unified School District.

By: 
Jefferson Crain, Executive Officer of the Board

EXECUTIVE OFFICER'S CERTIFICATE

I, Jefferson Crain, Executive Officer of the Board of Education of the Los Angeles Unified School District, County of Los Angeles, California, hereby certify as follows:

The attached is a full, true and correct copy of a resolution duly adopted at a regular meeting of said Board of Education of said District duly and regularly held at the regular meeting place thereof on January 12, 2010, at which meeting all of the members of said Board of Education had due notice and at which a quorum thereof was present; and at said meeting said resolution was adopted by the following vote:

AYES: 6

NOES: 1

ABSTAIN: 0

ABSENT: 0

An agenda of said meeting was posted at least 72 hours before said meeting at 333 South Beaudry Avenue, Los Angeles, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda. A copy of said agenda is attached hereto.

I have carefully compared the same with the adopted resolution on file and of record in my office. Said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand this 15 day of January, 2010.

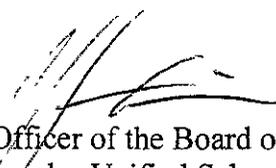
By 
Executive Officer of the Board of Education of
Los Angeles Unified School District

EXHIBIT A

[FORM OF CURRENT INTEREST BOND]

Number
R- _____

Principal Sum
\$ _____

LOS ANGELES UNIFIED SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
200_ GENERAL OBLIGATION BOND, SERIES _

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated</u>	<u>CUSIP NO.</u>
_____ 1, _____	_____ %	_____	_____

Registered Owner: CEDE & CO.

Principal Sum: _____ DOLLARS

Los Angeles Unified School District, County of Los Angeles, State of California (herein called the "District"), acknowledges itself obligated to and promises to pay to the person whose name appears on the bond registration books (the "Registration Books") of the Paying Agent as the registered owner (the "Registered Owner") identified above or registered assigns, on the Maturity Date set forth above or upon prior redemption hereof, the Principal Sum specified above in lawful money of the United States of America, and to pay interest thereon in like lawful money from the Interest Payment Date (defined herein) next preceding the date of authentication of this bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any Interest Payment Date to such Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated on or before _____ 15, _____, in which event it shall bear interest from the date hereof) at the interest rate per annum stated above, payable commencing on _____ 1, _____, and thereafter on _____ 1 and _____ 1 in each year (each, an "Interest Payment Date"), until payment of the Principal Sum hereof.

The principal hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office of U.S. Bank National Association as agent for the Treasurer and Tax Collector of the County of Los Angeles (the "County"), as Paying Agent (collectively referenced herein as the "Paying Agent"), the paying agent/registrar and transfer agent of the County. The interest hereon is payable to the Registered Owner hereof as of the close of business on the 15th day of the month preceding an Interest Payment Date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check mailed to such Registered Owner at the Owner's address as it appears on such Registration Books, or at such other address filed with the Paying Agent for that purpose.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, subseries, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$ _____, and designated as the "Los Angeles Unified School District

_____” (the “Bonds”). The Bonds are issued and sold by the Board of Education of the District pursuant to the provisions of the Constitution and laws of the State and of a resolution (the “District Resolution”) adopted by the Board of Education of the District on January 12, 2010.

The Current Interest Bonds (as defined in the District Resolution) of this issue are issuable only as fully registered bonds in the denominations of \$5,000 principal amount or any integral multiple thereof. This bond is exchangeable and transferable as provided in the District Resolution.

The Bonds shall be subject to redemption as provided in the District Resolution and the [Notice Inviting Proposals, dated _____, 2010 (the “Notice Inviting Proposals”) by and among the District and the underwriters named therein][Bond Purchase Agreement, dated _____, 2010 (the “Bond Purchase Agreement”) by and among the District and the underwriters named therein].

The District and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

All acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in strict conformity with the laws authorizing the issuance of this bond. This bond is in substantially the form prescribed by order of the Board of Education duly made and entered on its minutes. This bond represents an obligation of the District payable out of the applicable Interest and Sinking Fund (as defined in the District Resolution), and the money for the payment of principal of, premium, if any, and interest hereon, shall be raised by taxation upon the taxable property of the District.

Reference is hereby made to the District Resolution adopted by the District’s Board of Education on _____, 2010 (the “District Resolution”) and the [Notice Inviting Proposals][Bond Purchase Agreement] for a description of the terms of the Bonds and the rights of the Owners of the Bonds. The terms of the District Resolution and the [Notice Inviting Proposals][Bond Purchase Agreement] are hereby incorporated herein.

This bond shall not be entitled to any benefit under the District Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

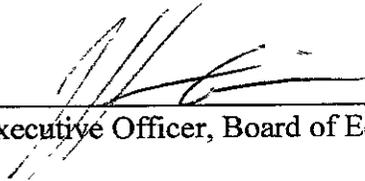
IN WITNESS WHEREOF, the Los Angeles Unified School District, County of Los Angeles, California, has caused this bond to be executed on behalf of the District and in its official capacity by the manual or facsimile signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Executive Officer of the Board of Education, all as of the date stated above.

[SEAL]

LOS ANGELES UNIFIED SCHOOL
DISTRICT

By: _____
President, Board of Education

COUNTERSIGNED:



Executive Officer, Board of Education

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within-mentioned District Resolution and authenticated and registered on _____, 200_.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee:

Notice: Signature must be guaranteed by an eligible guarantor institution.

EXHIBIT B

[FORM OF CAPITAL APPRECIATION BOND]

Number
R- _____

Maturity Value
\$ _____

LOS ANGELES UNIFIED SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
200_ GENERAL OBLIGATION BOND, SERIES _

<u>Maturity Date</u>	<u>Dated</u>	<u>CUSIP NO.</u>
_____ 1, _____	_____	_____

Registered Owner: CEDE & CO.

Initial Principal Amount: _____ DOLLARS

Maturity Value: _____ DOLLARS

Los Angeles Unified School District, County of Los Angeles, State of California (herein called the "District"), acknowledges itself obligated to and promises to pay to the person whose name appears on the bond registration books (the "Registration Books") of the Paying Agent as the registered owner (the "Registered Owner") identified above or registered assigns, on the Maturity Date set forth above or upon prior redemption hereof, the accreted value hereof on such date in lawful money of the United States of America, consisting of the initial principal amount hereof plus interest accreted thereon (in accordance with the District Resolution hereinafter defined and as reflected in the Table of Accreted Values attached hereto; provided, that any accreted value determined in accordance with the District Resolution shall prevail over any accreted values set forth in the Table of Accreted Values attached hereto) and accumulated from the date hereof to such date, compounded on January 1 and July 1 of each year commencing _____, 20__, assuming in any such semiannual period that this bond shall increase in value by the accumulation of earned interest in equal daily amounts on the basis of a 360-day year of twelve 30-day months, until the obligation represented hereby shall have been discharged, as provided in the District Resolution hereinafter defined upon the surrender hereof at the principal corporate trust office of U.S. Bank National Association as agent for the Treasurer and Tax Collector of the County of Los Angeles (the "County"), as Paying Agent (collectively referenced herein as the "Paying Agent"), the paying agent/registrar and transfer agent of the County.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, subseries, numbers, denominations, accreted values at maturity, maturities and redemption provisions), amounting in the aggregate to \$_____, and designated as the "Los Angeles Unified School District General Obligation Bonds (County of Los Angeles), _____" (the "Bonds"). The Bonds are issued and sold by the Board of Education of the District pursuant to the provisions of

the Constitution and laws of the State and of a resolution (the "District Resolution") adopted by the Board of Education of the District on January 12, 2010.

The Capital Appreciation Bonds (as defined in the District Resolution) of this issue are issuable only as fully registered bonds without coupons in the denominations of \$5,000 accreted value at the Maturity Value or any integral multiple thereof, except that the first numbered Bond may be issued in a denomination such that the Maturity Value of such Bond shall not be in an integral multiple of \$5,000. This bond is exchangeable and transferable as provided in the District Resolution

The Bonds shall be subject to redemption as provided in the District Resolution and the [Notice Inviting Proposals, dated _____, 2010 (the "Notice Inviting Proposals") by and among the District and the underwriters named therein][Bond Purchase Agreement, dated _____, 2010 (the "Bond Purchase Agreement") by and among the District and the underwriters named therein].

The District and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

All acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in strict conformity with the laws authorizing the issuance of this bond. This bond is in substantially the form prescribed by order of the Board of Education duly made and entered on its minutes. This bond represents an obligation of the District payable out of the applicable Interest and Sinking Fund (as defined in the District Resolution), and the money for the payment of the Maturity Value of this bond (or redemption price hereof upon redemption prior to maturity), shall be raised by taxation upon the taxable property of the District.

Reference is hereby made to the District Resolution and the [Notice Inviting Proposals][Bond Purchase Agreement] for a description of the terms of the Bonds and the rights of the Owners of the Bonds. The terms of the District Resolution and the [Notice Inviting Proposals][Bond Purchase Agreement] are hereby incorporated herein.

This bond shall not be entitled to any benefit under the District Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

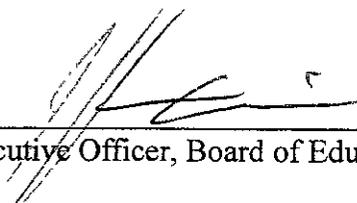
IN WITNESS WHEREOF, the Los Angeles Unified School District, County of Los Angeles, California, has caused this bond to be executed on behalf of the District and in its official capacity by the manual or facsimile signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Executive Officer of the Board of Education, all as of the date stated above.

[SEAL]

LOS ANGELES UNIFIED SCHOOL
DISTRICT

By _____
President, Board of Education

COUNTERSIGNED:



Executive Officer, Board of Education

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within-mentioned District Resolution and authenticated and registered on _____, 200_

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee:

Notice: Signature must be guaranteed by an eligible guarantor institution.

[TABLE OF ACCRETED VALUES]

EXHIBIT C

[FORM OF CONVERTIBLE CAPITAL APPRECIATION BOND]

Number
R- _____

Conversion Value
\$ _____

LOS ANGELES UNIFIED SCHOOL DISTRICT
(COUNTY OF LOS ANGELES, CALIFORNIA)
200_ GENERAL OBLIGATION BOND, SERIES _

<u>Maturity Date</u>	<u>Conversion Date</u>	<u>Interest Rate After Conversion Date</u>	<u>Dated</u>	<u>CUSIP NO.</u>
_____ 1, _____	_____ 1, _____	_____ %	_____	_____

Registered Owner: CEDE & CO.

Initial Principal Amount: _____ DOLLARS

Conversion Value: _____ DOLLARS

Los Angeles Unified School District, County of Los Angeles, State of California (herein called the "District"), acknowledges itself obligated to and promises to pay to the person whose name appears on the bond registration books (the "Registration Books") of the Paying Agent as the registered owner (the "Registered Owner") identified above or registered assigns, on the maturity date set forth above or upon prior redemption hereof, the accreted value hereof on such date, consisting of the initial principal amount hereof plus interest accreted thereon (in accordance with the District Resolution hereinafter defined and as reflected in the Table of Accreted Values attached hereto; provided, that any accreted value determined in accordance with the District Resolution shall prevail over any accreted values set forth in the Table of Accreted Values attached hereto), commencing on the date hereof, compounded on January 1 and July 1 of each year commencing _____, 20__, assuming in any such semiannual period that this bond shall increase in value by the accumulation of earned interest in equal daily amounts on the basis of a 360-day year of twelve 30-day months, until the Conversion Date set forth above in lawful money of the United States of America, and from and after the Conversion Date to pay current interest on said Conversion Value in like lawful money from the Interest Payment Date (defined herein) next preceding the date of authentication of this bond (unless this bond is authenticated as of a date during the period from the Record Date (as defined herein) next preceding any Interest Payment Date to such Interest Payment Date, inclusive, in which event it shall bear interest from such Interest Payment Date, or unless this bond is authenticated on or before _____ 15, _____, in which event it shall bear interest from the Conversion Date) at the interest rate per annum stated above, payable commencing on January 1 or July 1 following the Conversion Date, and thereafter on January 1 and July 1 in each year (each, an "Interest Payment Date"), until payment of said Conversion Value.

The accreted value hereof is payable to the Registered Owner hereof upon the surrender hereof at the principal corporate trust office of U.S. Bank National Association as agent for the Treasurer and Tax Collector of the County of Los Angeles (the "County"), as Paying Agent (collectively referenced herein as the "Paying Agent"), the paying agent/registrar and transfer agent of the County. The interest hereon is payable to the Registered Owner hereof as of the close of business on the 15th day of the month preceding an Interest Payment Date (the "Record Date"), whether or not such day is a business day, such interest to be paid by check mailed to such Registered Owner at the owner's address as it appears on such Registration Books, or at such other address filed with the Paying Agent for that purpose.

This bond is one of a duly authorized issue of bonds of like tenor (except for such variations, if any, as may be required to designate varying series, numbers, denominations, interest rates, interest payment modes, maturities and redemption provisions), amounting in the aggregate to \$ _____ principal amount, and designated as the "Los Angeles Unified School District _____" (the "Bonds"). The Bonds are issued and sold by the Board of Education of the District pursuant to the provisions of the Constitution and laws of the State and of a resolution (the "District Resolution") adopted by the Board of Education of the District on _____, 2010.

The Convertible Capital Appreciation Bonds (as defined in the District Resolution) of this issue are issuable only as fully registered bonds without coupons in the denominations of \$5,000 accreted value at the Conversion Date or any integral multiple thereof. This bond is exchangeable and transferable as provided in the District Resolution.

The Bonds shall be subject to redemption as provided in the District Resolution and the [Notice Inviting Proposals, dated _____, 2010 (the "Notice Inviting Proposals") by and among the District and the underwriters named therein][Bond Purchase Agreement, dated _____, 2010 (the "Bond Purchase Agreement") by and among the District and the underwriters named therein].

The District and the Paying Agent may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Bond shall be overdue, and shall not be affected by any notice to the contrary.

All acts, conditions and things required by law to be done or performed precedent to and in the issuance of this bond have been done and performed in strict conformity with the laws authorizing the issuance of this bond. This bond is in substantially the form prescribed by order of the Board of Education duly made and entered on its minutes. This bond represents an obligation of the District payable out of the applicable Interest and Sinking Fund (as defined in the District Resolution), and the money for the payment of the maturity value of this bond (or redemption price hereof upon redemption prior to maturity), shall be raised by taxation upon the taxable property of the District.

Reference is hereby made to the District Resolution and the [Notice Inviting Proposals][Bond Purchase Agreement] for a description of the terms of the Bonds and the rights of the Owners of the Bonds. The terms of the District Resolution and the [Notice Inviting Proposals][Bond Purchase Agreement] are hereby incorporated herein.

This bond shall not be entitled to any benefit under the District Resolution, or become valid or obligatory for any purpose, until the certificate of authentication and registration hereon endorsed shall have been signed by the Paying Agent.

IN WITNESS WHEREOF, the Los Angeles Unified School District, County of Los Angeles, California, has caused this bond to be executed on behalf of the District and in its official capacity by the manual or facsimile signature of the President of the Board of Education of the District, and to be countersigned by the manual or facsimile signature of the Executive Officer of the Board of Education, all as of the date stated above.

[SEAL]

LOS ANGELES UNIFIED SCHOOL
DISTRICT

By: _____
President, Board of Education

COUNTERSIGNED:



Executive Officer, Board of Education

PAYING AGENT'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the Bonds described in the within-mentioned District Resolution and authenticated and registered on _____, 200_.

TREASURER AND TAX COLLECTOR OF THE
COUNTY OF LOS ANGELES, AS PAYING AGENT

By: U.S. BANK NATIONAL ASSOCIATION,
as Agent to the Paying Agent

By _____
Authorized Officer

DTC LEGEND

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to Issuer or its agent for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the Registered Owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Paying Agent/Registrar and Transfer Agent with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee:

Notice: Signature must be guaranteed by an eligible guarantor institution.

[TABLE OF ACCRETED VALUES]



LOS ANGELES UNIFIED SCHOOL DISTRICT
Board of Education Report

Attachment C
Reimbursement Resolution for
Qualified School Construction Bonds

UNIFIED RESOLUTION OF THE BOARD OF EDUCATION OF THE LOS ANGELES SCHOOL DISTRICT DECLARING ITS INTENTION TO REIMBURSE ITSELF WITH PROCEEDS OF AN ISSUE OF “QUALIFIED TAX CREDIT BONDS” FOR CERTAIN EXPENDITURES TO BE MADE TO PAY COSTS OF CONSTRUCTION, REHABILITATION OR REPAIR OF PUBLIC SCHOOL FACILITIES OR THE ACQUISITION OF LAND ON WHICH SUCH FACILITIES WILL BE CONSTRUCTED SET FORTH IN THE BOND PROJECT LISTS RELATING TO BONDS AUTHORIZED PURSUANT TO ELECTIONS DULY CALLED AND HELD IN SUCH DISTRICT ON MARCH 2, 2004 AND NOVEMBER 8, 2005

WHEREAS, the Los Angeles Unified School District (the “District”) is a unified school district organized and existing under the laws of the State of California (the “State”), and issues its general obligation bonds and certificates of participation to finance the costs of construction, rehabilitation and repair of public school facilities of the District or the acquisition of land on which such facilities will be constructed (including the reimbursement of the District for certain pre-issuance expenditures); and

WHEREAS, an election was duly called and regularly held in the District on March 2, 2004, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the State Education Code (the “Measure R Authorization”); and

WHEREAS, an election was duly called and regularly held in the District on November 8, 2005, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the State Education Code (the “Measure Y Authorization”); and

WHEREAS, the District, as a “large local education agency”, as such term is defined in Section 54F(d)(2)(B) of the Code, and based on the allocation national qualified school construction bond limitation actually received by the District for calendar year 2009, expects to receive an allocation of the “national qualified school construction bond limitation” (defined in Section 54F(c) of the Internal Revenue Code of 1986, as amended (the “Code”)) for calendar year 2010 on the date such limitation is allocated by the Secretary of the Treasury (the “2010 QSCB Allocation Date”) of not more than \$350 million (the “2010 QSCB Allocation”);

WHEREAS, the District will pay, on and after the 2010 QSCB Allocation Date, expenditures for the construction, rehabilitation, or repair of its public school facilities set forth among the projects on the bond project list relating to the Measure R Authorization and the bond project list relating to the Measure Y Authorization, the acquisition of land on which such public school facilities are to be constructed, and the acquisition of equipment to be used in such portion of the public school facilities that are being constructed, rehabilitated or repaired (the “QSCB Projects Expenditures”); and

WHEREAS, the Board of Education of the District (the "Board") has determined that those moneys to be advanced on and after the 2010 QSCB Allocation Date to pay the QSCB Projects Expenditures are to be available only on a temporary basis and that it is thus necessary for the District to reimburse itself for the payment of such QSCB Projects Expenditures with the proceeds from one or more issues of Qualified School Construction Bonds to be issued pursuant to Section 54F of the Internal Revenue Code of 1986, as amended, and within its 2010 QSCB Allocation (the "Qualified School Construction Bonds") ; and

WHEREAS, Section 54A(d)(2)(D) of the Code requires that in order to use the proceeds of any Qualified School Construction Bonds to reimburse an issuer for the payment of QSCB Projects Expenditures, an issuer must declare prior to the payment of any such expenditures its intent to reimburse such expenditure with the proceeds of a Qualified School Construction Bond (the "Reimbursement Declaration"), and, not later than 60 days after payment of the original expenditure, the issuer must adopt an official intent to reimburse the original expenditure with the proceeds of a Qualified School Construction Bond (the "Official Intent"); and

WHEREAS, the Board has determined to make the declaration set forth below for purposes of satisfying both the Reimbursement Declaration and Official Intent requirements with respect to QSCB Projects Expenditures made on and after the 2010 QSCB Allocation Date;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. The Board hereby declares the District's intent to reimburse itself with the proceeds of one or more issues of Qualified School Construction Bonds to be issued pursuant to Section 54F of the Code and within the 2010 QSCB Allocation, which, based on the allocation of Qualified School Construction Bonds received by the District for calendar year 2009, the District expects to be not more than \$350 million, for QSCB Projects Expenditures paid on and after the date hereof and the 2010 QSCB Allocation Date. It is reasonably expected on the date hereof that the District will reimburse the QSCB Projects Expenditures with the proceeds of one or more issues of Qualified School Construction Bonds to be issued pursuant to Section 54F of the Code and within the 2010 QSCB Allocation. The District reasonably expects the maximum principal amount of Qualified School Construction Bonds to be issued to finance the QSCB Project Expenditures to be \$350,000,000.

Section 2. This resolution shall take effect immediately upon its passage.

Adopted and signed this 12-day of January, 2010 by the Board of Education of the Los Angeles Unified School District.



Jefferson Crain, Executive Officer of the
Board



LOS ANGELES UNIFIED SCHOOL DISTRICT Board of Education Report

Attachment D Reimbursement Resolution for Clean and Renewable Energy Bonds]

RESOLUTION OF THE BOARD OF EDUCATION OF THE LOS ANGELES UNIFIED SCHOOL DISTRICT DECLARING ITS INTENT TO REIMBURSE ITSELF WITH PROCEEDS OF AN ISSUE OF "CLEAN RENEWABLE ENERGY BONDS" FOR CERTAIN EXPENDITURES TO BE MADE TO PAY COSTS OF QUALIFIED RENEWABLE ENERGY FACILITIES PURSUANT TO ELECTIONS DULY CALLED AND HELD IN SUCH DISTRICT ON NOVEMBER 5, 2002, MARCH 2, 2004, NOVEMBER 8, 2005 AND NOVEMBER 7, 2008

WHEREAS, the Los Angeles Unified School District (the "District") is a unified school district organized and existing under the laws of the State of California (the "State") and a "government body", as defined in Section 54C(d)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and issues its general obligation bonds and certificates of participation to finance the costs of construction, rehabilitation and repair of public school facilities of the District or the acquisition of land on which such facilities will be constructed (including the reimbursement of the District for certain pre-issuance expenditures); and

WHEREAS, an election was duly called and regularly held in the District on November 5, 2002, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the State Education Code (the "Measure K Authorization"); and

WHEREAS, an election was duly called and regularly held in the District on March 2, 2004, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the State Education Code (the "Measure R Authorization"); and

WHEREAS, an election was duly called and regularly held in the District on November 8, 2005, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the State Education Code (the "Measure Y Authorization"); and

WHEREAS, an election was duly called and regularly held in the District on November 7, 2008, pursuant to Section 1(b)(3) of Article XIII A of the State Constitution and Chapter 1.5 of Title 1, Division 1, Part 10 of the State Education Code (the "Measure Q Authorization"); and

WHEREAS, the District has applied for allocations of the "national new clean renewable energy bond limitation" (defined in Section 54C(c) of the Code); and

WHEREAS, the Secretary of the Treasury has prior to the date hereof issued to the District letters (the "CREB Allocation Letters"), which provide to the District allocations of the national new clean renewable energy bond limitation in the aggregate amount of not more than \$121 million to finance the qualified clean renewable energy facilities set forth in such letters (the "Allocation");

WHEREAS, the date on which each of the CREBS Allocation Letters was received (each an "Allocation Date") is more than sixty (60) days prior to the date hereof; and

WHEREAS, the District has paid on and after November 13, 2009, which date is sixty days prior to the date hereof, and will pay, on and after the date hereof, capital expenditures for the qualified clean renewable energy facilities described in the letters attached hereto as Appendix A, which include the construction, rehabilitation, or repair of its public school facilities set forth among the projects on the bond project list relating to the Measure K Authorization, the bond project list relating to the Measure R Authorization, the bond project list relating to the Measure Y Authorization and the bond project list relating to the Measure Q Authorization (the "CREBs Expenditures"); and

WHEREAS, a portion of the CREBs Expenditures may be initially financed with proceeds of one or more issues of certificates of participation that the District, in consultation with counsel nationally recognized in the fields of tax credit bonds and tax-exempt bonds, may refinance with general obligation bonds issued under the Measure R Authorization, the Measure Y Authorization or the Measure Q Authorization; and

WHEREAS, the Board of Education of the District (the "Board") has determined that those moneys advanced on and after the later of November 13, 2009 and the Allocation Date with respect to such CREBs Expenditures, and to be advanced after the date hereof, to pay the CREBs Expenditures are to be available only on a temporary basis and that it is thus necessary for the District to reimburse itself for the payment of such CREBs Expenditures with the proceeds from one or more issues of Clean Renewable Energy Bonds to be issued pursuant to Section 54C of the Code and within the Allocation (the "Clean Renewable Energy Bonds"); and

WHEREAS, Section 54A(d)(2)(D) of the Code requires that in order to use the proceeds of any Clean Renewable Energy Bonds to reimburse an issuer for the payment of CREBs Expenditures, an issuer must declare prior to the payment of any such expenditures its intent to reimburse such expenditure with the proceeds of a Clean Renewable Energy Bond (the "Reimbursement Declaration"), and, not later than 60 days after payment of the original expenditure, the issuer must adopt an official intent to reimburse the original expenditure with the proceeds of a Clean Renewable Energy Bond (the "Official Intent"); and

WHEREAS, the Board has determined to make the declaration set forth below for purposes of satisfying both the Reimbursement Declaration and Official Intent requirements with respect to CREBs Expenditures made on and after the later of November 13, 2009 and the related Allocation Date;

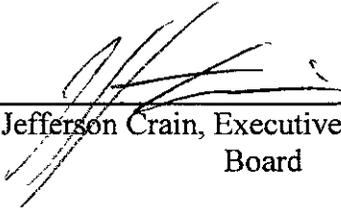
NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

Section 1. The Board hereby declares the District's intent to reimburse itself with the proceeds of one or more issues of Clean Renewable Energy Bonds to be issued pursuant to

Section 54C of the Code and within the Allocation for CREBs Expenditures paid on and after the later of November 13, 2009 and the related Allocation Date. It is reasonably expected on the date hereof that the District will reimburse the CREBs Expenditures with the proceeds of one or more issues of Clean Renewable Energy Bonds to be issued pursuant to Section 54C of the Code and within the Allocation. The District reasonably expects the maximum principal amount of Clean Renewable Energy Bonds to be issued to finance the CREBs Expenditures to be \$121 million.

Section 2. This resolution shall take effect immediately upon its passage.

Adopted and signed this 12 day of January, 2010 by the Board of Education of the Los Angeles Unified School District.



Jefferson Crain, Executive Officer of the
Board



LOS ANGELES UNIFIED SCHOOL DISTRICT Board of Education Report

Attachment E Estimated Costs of Issuance of the 2010 Bonds

Los Angeles Unified School District
General Obligation Bonds
2010 February Issuance
ESTIMATED COSTS OF ISSUANCE AND UNDERWRITING

ATTACHMENT E

<i>Items included in "Costs of Issuance" category within Uses of Funds that represent fixed costs:</i>		\$2,184,797,000 MAXIMUM AMOUNT
BOND AND TAX COUNSEL: Sidley Austin LLP - Fee and Disbursements	\$	125,000
DISCLOSURE COUNSEL: Hawkins Delafield & Wood - Fee and Disbursements		120,000
PAYING AGENT: First annual administrative and COI disbursement fees, per County Master Contract		2,000
OVERLAPPING DEBT STATEMENT FOR POS/OS: California Municipal Statistics		525
S & P: Rating agency fee		100,000
MOODY'S: Rating agency fee		100,000
LAUSD RESOURCES		125,000
BOND PROGRAM AUDIT		165,000
PRINTING AND MAILING OF POS/OS: Printer		30,000
DISSEMINATION AGENT: Digital Assurance Certification (DAC) - Fees for set up of new issue on DAC's website		5,000
FINANCIAL ADVISORY FEE: February Issue (Tamalpais Advisors, Inc - Kelling Northcross & Nobriga)		125,000
FINANCIAL ADVISORY FEE: Post-Closing Bond Program Debt Management Projects (Tamalpais Advisors, Inc - KNN)		35,000
FINANCIAL ADVISOR'S DISBURSEMENTS: Tamalpais Advisors, Inc. - KNN		15,000
FINANCIAL ADVISOR'S ADVANCES		7,500
MISCELLANEOUS		34,975
	\$	990,000
<i>Items within Uses of Funds that represent variable costs:</i>		
UNDERWRITING FEES (based on \$.75/bond average takedown)	\$	12,562,583
UNDERWRITING EXPENSES* (assumes 15 bps)		327,720
		<i>Grand Total Underwriting</i>
	\$	12,890,302
		<i>Grand Total, All Costs</i>
	\$	13,880,302

*Underwriters will obtain and pay for DTC eligibility, CUSIP, Dalemel, TBMA, MSRB, PSA, and CDLAC charges

